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compensation report

This Compensation Report describes the structure and application of the compensation system for the Executive Board of Merck KGaA, Darmstadt, Germany, in fiscal 2024. It provides a transparent overview of the relationship between compensation and performance, and presents the compensation awarded or due to the members of the Executive Board and the Supervisory Board in fiscal 2024. The Supervisory Board and the Executive Board have jointly prepared the Compensation Report which meets the requirements of section 162 of the German Stock Corporation Act (AktG). It is audited by Deloitte Wirtschaftsprüfungsgesellschaft GmbH formally in accordance with section 162 (3) AktG formally and materially. Furthermore, we are oriented towards the requirements of the German Corporate Governance Code (DCGK) in the version dated April 28, 2022. The Compensation Report and the corresponding [audit report](#) can be found on our [website](#).

The legislation and regulations relating to the Compensation Report are geared toward the situation at a German stock corporation (“Aktiengesellschaft” or “AG”) and do not take into consideration the special characteristics of a corporation with general partners (“Kommanditgesellschaft auf Aktien” or “KGaA”), such as our company. Major differences between the two legal forms exist in terms of liability and management. In the case of an AG, only the AG is liable as a legal entity, whereas the general partners of a KGaA also have unlimited personal liability for the company’s obligations (section 278 (1) AktG). Unlike the management board members of an AG, the members of the Executive Board of our company are personally liable partners of both Merck KGaA, Darmstadt, Germany, and the general partner E. Merck KG, Darmstadt, Germany, and not merely employed members of a corporate board.

Review of fiscal 2024

In the 2024 financial year, the company returned to growth. Positive developments were realized in all three business sectors Life Science, Healthcare and Electronics.

The Life Science business sector saw a significant increase in order intake compared with the previous year, especially in the Process Solutions business unit. We acquired Mirus Bio, where we strengthened our viral vector bioprocess offering, moving closer to offering a full, integrated package of solutions for viral vector-based cell and gene therapies.

The pipeline of our Healthcare business sector and the diverse network of partners have contributed to our stabilized position. We strengthened our pipeline with a series of external innovation deals, and we expanded across key franchises through our product portfolios.

We further strengthened our position as the preferred partner for advanced materials, equipment and services in the Electronics business sector. With the acquisition of Unity-SC, we triggered our positioning from Display Solutions to Optronics. The realignment towards cutting-edge optical technologies is expected to drive long-term growth. In addition, the sale of the Surface Solutions business was initiated.

Sustainability is an integral part of our business strategy. In fiscal 2024, we made significant progress towards achieving our sustainability goals. By consistently pursuing our climate targets, we have further reduced our greenhouse gas emissions (Scope 1 and 2). In addition, we strengthened our sustainability initiatives by setting new targets for water and waste management with a focus on the circular economy. In order to further advance our long-term sustainability goals, we have once again implemented corresponding key figures and targets in the Sustainability Factor in the Long-Term Incentive Plan (LTIP) 2024.

In fiscal 2024, the composition of the Executive Board remained unchanged. For the members of the Executive Board, the contractually agreed compensation also remained unchanged, and no increases were made in fiscal 2024.

Michael Kleinemeier took over as Chairman of the Supervisory Board in February 2024. The Annual General Meeting on April 26, 2024 confirmed Michael Kleinemeier as chairman, and a further six new members were elected. Furthermore, a new compensation system for the members of the Supervisory Board was approved by the Annual General Meeting 2024 with a voting result of 99.06%. The new compensation system has been in force since May 1, 2024.

Approval of the Compensation Report 2023

At the Annual General Meeting 2024, the Compensation Report 2023 was approved with a voting result of 90.38% in accordance with section 120a (4) AktG. Only shareholders of Merck KGaA, Darmstadt, Germany, are entitled to vote at the Annual General Meeting (and thus not E. Merck KG, Darmstadt, Germany, in its capacity as personally liable partner of Merck KGaA, Darmstadt, Germany).

During the Annual General Meeting 2024 and in numerous discussions thereafter, the Group received feedback from investors, all relevant shareholder associations and proxy advisors on the compensation of the Executive Board as well as the presentation of the Compensation Report. We consider this feedback as valuable input for the revision of the compensation system, which will be submitted for approval at the Annual General Meeting 2025.

In the discussions, the importance of transparency was emphasized, and, in this context, our already clear presentation was assessed positively. Particular emphasis was placed on the already transparent disclosure of the comparator companies used and the ex-ante publication of our sustainability goals in the LTIP. An ex-ante publication of the target corridors of the financial key figures was also requested, but we still do not intend to publish this for competitive reasons and in line with market practice. We will continue to report the target corridors, results and resulting target achievements transparently after the expiry of the LTIP tranches.

The discussion partners welcomed the consideration of individual achievements and responsibilities of the members of the Executive Board in the profit sharing. The transparent presentation and explanation in the context of the application of the adjustment factor were also considered helpful and will be continued for the 2024 financial year.

With regard to the LTIP, the relative share price development compared to the DAX® Performance Index was discussed. A comparator group with an international orientation for the evaluation of relative performance was suggested. However, the discussions also showed understanding that possible alternatives would not do justice to our diversified business model and would entail too much complexity.

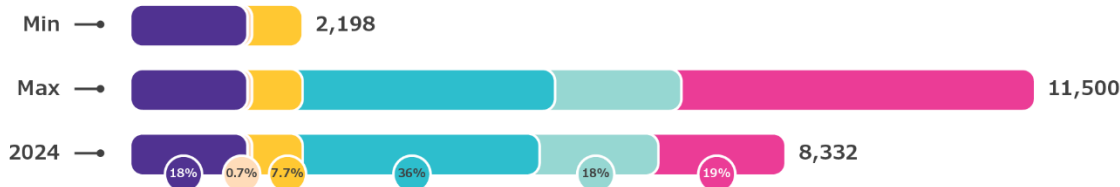
It was pointed out that the topic of sustainability and the corresponding ESG goals should be given more weight in the remuneration of the Executive Board. The materiality of the goals for our company is also of great importance. In our opinion, this aspect and the close link with the corporate strategy are already taken into account in the selection of goals.

The exchange with our investors is an important and continuous process. The discussions and the feedback received in the financial year have been significantly incorporated into the current revision of the remuneration system. In the run-up to the 2025 Annual General Meeting, we will continue the dialogue with investors in order to obtain constructive and valuable feedback that can be incorporated into decisions on the remuneration of the Executive Board. We will report accordingly in the 2025 Compensation Report.

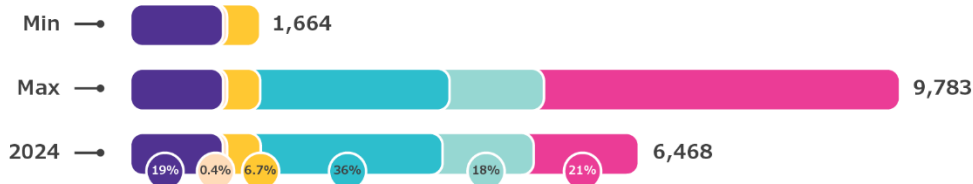
Compensation for fiscal 2024 – Summary

Summary of the compensation for the Executive Board members' performance up to December 31, 2024 (see "Executive Board Compensation for 2024")

Belén Garijo



Ø further EB members¹



- Base salary
- Additional benefits
- Pension entitlement
- 2/3 of profit sharing 2023 (free disposal)
- 1/3 of profit sharing 2023 (to be held in shares for 4 years)
- LTIP 2021

¹ The average calculation for further EB members the compensation of Kai Beckmann and Peter Guenter is included. Matthias Heinzel joined the Executive Board during fiscal 2021 and participated in the LTIP 2021 on a pro-rata basis. Helene von Roeder joined the Executive Board in 2023 and will not receive any payout from the LTIP 2021. Considering their variable compensation would lead to a distortion of the illustration. Peter Guenter's compensation payment is not considered at all.

Terms of the compensation components for fiscal 2024

	2021	2022	2023	2024	2025	2026	2027	2028
Non-performance-related								
Base salary								
Additional benefits								
Pension entitlement								
Performance-related								
Profit sharing 2024								
LTIP 2021								

Three years performance cycle (Profit sharing 2024)

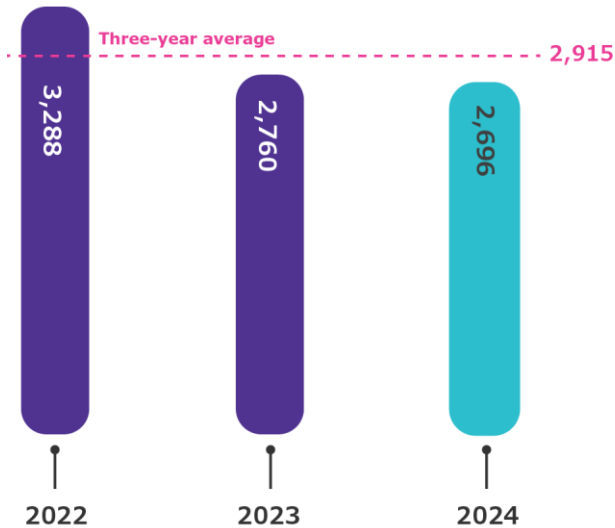
Four years performance cycle (LTIP 2021)

1/3 of payout to be held in Merck KGaA, Darmstadt, Germany shares for at least four years

Relevant key performance indicators for profit sharing and LTIP

Profit after tax of Group of E. Merck KG, Darmstadt, Germany

(€ million)



Performance of share

• Merck KGaA, Darmstadt, Germany

• DAX®



LTIP 2021

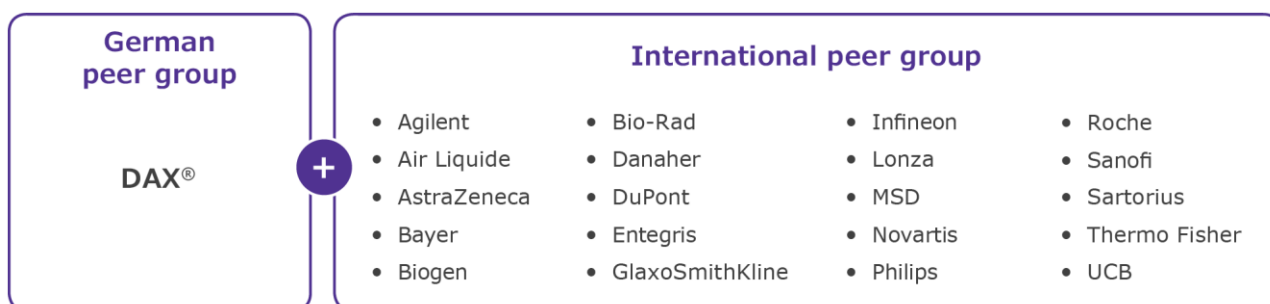
Performance indicator	Target corridor	Actual value	Target achievement
Share price performance relative to DAX® (Weighting: 50%)	<div> <div>Lower limit</div> <div>Target value</div> <div>Upper limit</div> </div> <div> <div>-20%</div> <div>0%</div> <div>50%</div> </div>	-8.6%	57.0%
EBITDA pre margin (Weighting: 25%)	<div> <div>Lower limit</div> <div>Target value</div> <div>Upper limit</div> </div> <div> <div>24.9%</div> <div>27.9%</div> <div>30.9%</div> </div>	29.9%	133.4%
Organic sales growth (Weighting: 25%)	<div> <div>Lower limit</div> <div>Target value</div> <div>Upper limit</div> </div> <div> <div>5.7%</div> <div>8.7%</div> <div>11.7%</div> </div>	6.2%	16.8%
<div> <div>● Actual value</div> </div>		Total target achievement:	66.1%

Determining the compensation of the Executive Board

At our company, unlike at publicly listed German stock corporations, it is not the Supervisory Board but the Board of Partners of E. Merck KG, Darmstadt, Germany, that is responsible for designing and reviewing the compensation system and deciding on the amount and composition of compensation paid to Executive Board members. The Board of Partners has assigned this task to its Personnel Committee. As a result, the Personnel Committee is responsible for the development and regular review of the compensation system, i.e. structuring and examining of the performance-independent and performance-related compensation elements. The Personnel Committee also takes into account the compensation system for managers and employees below Executive Board level to ensure consistency and a uniform steering effect between the compensation systems. Furthermore, the Personnel Committee is responsible for defining the annual targets and thresholds of the key performance indicators for the performance-related compensation elements.

In addition to structuring the Executive Board compensation system, the Personnel Committee is responsible for defining the specific amounts of compensation paid to the members of the Executive Board. The compensation paid to the members of the Executive Board considers the responsibilities and duties of the individual Executive Board members, particularly their status as personally liable partners, their individual performance and the economic situation as well as the performance and future prospects of the group.

Furthermore, Executive Board compensation is oriented toward the external peer environment of our company, which comprises the DAX® companies as well as a group of selected international competitors:



The international peer group was defined considering the size, business area and geographic location of the headquarters of the respective competitors. Overall, the peer group offers an appropriate ratio of companies headquartered in Europe and the United States as well as a balanced coverage of the Life Science, Healthcare and Electronics business sectors. In relation to the size criteria of sales, number of employees and market capitalization, the Group positions itself around the median of this international peer group.

Moreover, for the determination of the specific compensation amounts, the relation between Executive Board compensation, top management compensation and workforce compensation will also be considered based on a multi-year assessment. Top management is defined as senior levels of management below the Executive Board in Germany. The average compensation of an employee in full-time employment in Germany is considered in the determination of the compensation of the remaining staff.

The Personnel Committee regularly reviews the amount and structure of the Executive Board compensation by referring to the peer groups described and with the assistance of an independent compensation consultant.

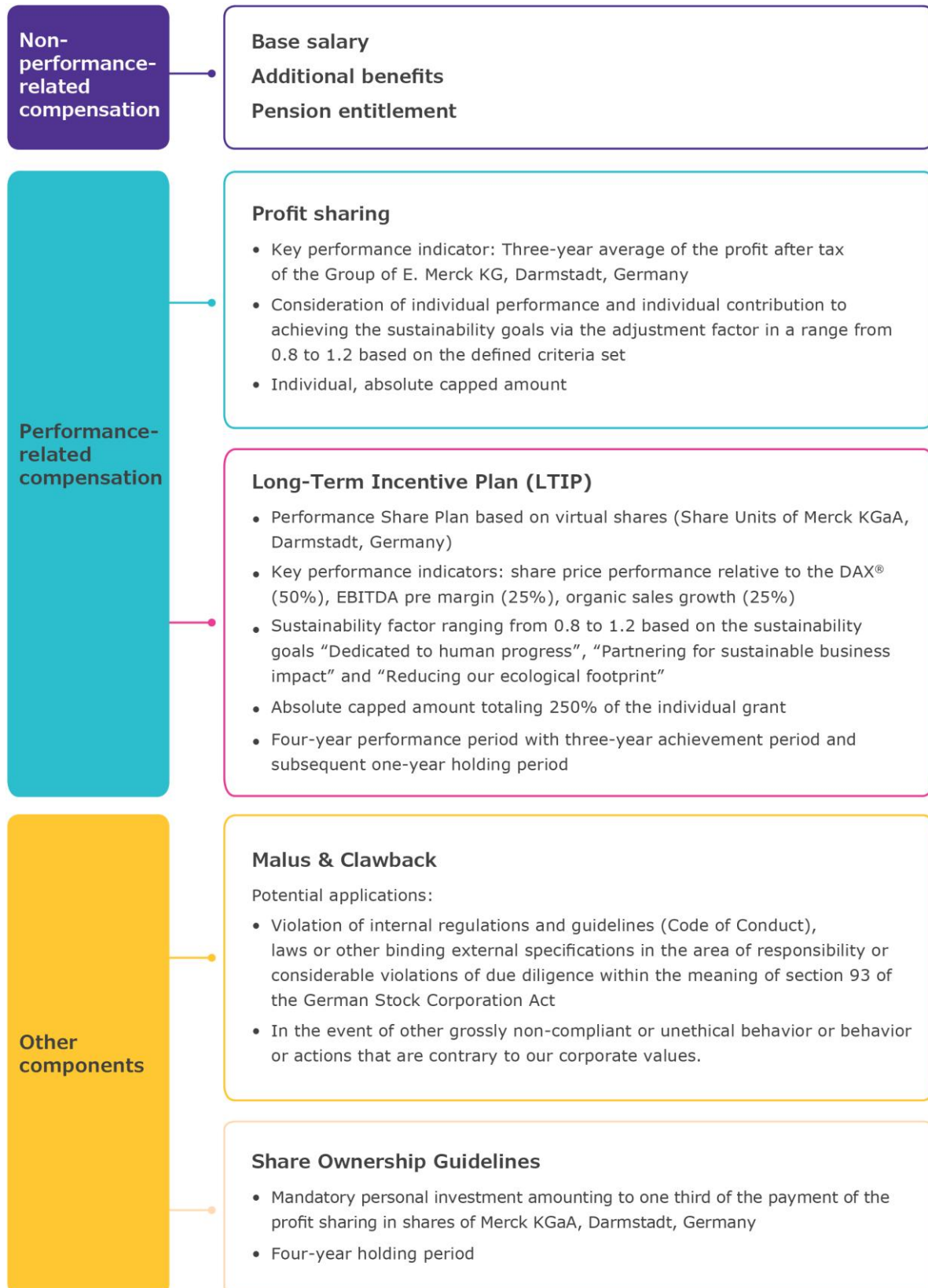
Overview of the structure of the compensation system

Compensation components

Executive Board compensation includes three main components: base salary, profit sharing and the Long-term Incentive Plan (LTIP). It is complemented by contributions to the company pension plan as well as additional benefits. Additional compensation arrangements also exist for the members of the Executive Board, in particular malus and clawback provisions and a Share Ownership Guideline.

The performance-related compensation elements – profit sharing and the LTIP – are based on a multi-year performance period, and as such, are fully oriented toward the company's long-term development. In addition, the LTIP has a strong reference to the company's share price, to specifically recognize our shareholders' interests. The key performance indicators selected for variable compensation are derived from the corporate strategy and form part of our central controlling system. In this way, the variable compensation of the Executive Board members is used as a strong steering tool to ensure a focus on our objective of long-term profitable growth accompanied by strong cost discipline.

The following diagram provides an overview of all the elements of the compensation system for Executive Board members:



Executive Board compensation for 2024

The performance-related and performance-independent components of the compensation system for the Executive Board in fiscal 2024 are fully consistent with the Executive Board compensation system approved by the Annual General Meeting 2021 with a voting result of 87.08%. The compensation system for the Executive Board is published on our [Website](#) and applies to all members of the Executive Board since January 1, 2021. The Personnel Committee ensures compliance with the compensation system by deciding by resolution on the parameters of the compensation elements (e.g. target setting, determination of target achievement, etc.) as well as on the amounts to be paid out.

The following section reports on the compensation awarded or due in accordance with section 162 (1) AktG. Accordingly, the following sections contain all amounts paid to individual members of the Executive Board (active and former members) in fiscal 2024 (compensation awarded) as well as all amounts legally due but not yet received (compensation due).

In addition, the compensation for which the members of the Executive Board have provided the underlying service in full by December 31, 2024, but whose payment will be made in the following year, is disclosed on a voluntary basis. This applies to the profit sharing for fiscal 2024, as well as to the LTI tranche 2021, the performance period of which ended on December 31, 2024. These amounts have been provisionally determined by the Personnel Committee by resolution. The final amount will be paid to the members of the Executive Board once the consolidated financial statements of E. Merck KG, Darmstadt, Germany, have been released. This enables transparent information and ensures the link between performance and compensation in the financial year.

Performance-independent compensation

Base salary

As base salary, the members of the Executive Board receive contractually fixed performance-independent amounts that are paid in the form of 12 equal monthly installments. There was no increase in base salaries in fiscal 2024.

Additional benefits

The additional benefits mainly include company cars for personal use, contributions to insurance policies and expenses for personal protection.

In addition, as compensation for the loss of entitlements to variable compensation from his previous employment relationship, Peter Guenter received upon the initial appointment in fiscal 2021 a commitment to compensation totaling € 1,500,000. The entitlement has been verified in the context of his initial appointment based on supporting documents and the amount has been determined accordingly. The amount was to be paid in cash in four equal annual installments from 2021 to 2024 on July 1 each year subject to the continuation of employment. The last installment of € 375,000 was paid accordingly on July 1, 2024.

Compensation payments were agreed with Helene von Roeder to compensate for the loss of variable compensation claims from her previous position on the Management Board of Vonovia SE, which resulted from her move to the Executive Board of Merck KGaA, Darmstadt, Germany, on July 1, 2023. The loss of the claims was proven on the basis of appropriate supporting documents. For the loss of entitlement to short-term variable compensation 2023, Helene von Roeder received € 257,125 in April 2024.

The compensation payment for the loss of the long-term variable compensation entitlement is based on the plan rules of Vonovia SE's LTIP Tranche 2023, the performance period of which runs from the beginning of 2023 to the end of 2026. The amount can only be calculated after the publication of Vonovia SE's 2026 annual financial statements and will be paid out in fiscal 2027. This procedure ensures that Helene von Roeder only receives the long-term variable compensation that has actually been lost. The details of this were published in the 2023 Compensation Report.

Pension entitlement

The members of the Executive Board are granted a pension obligation as a direct commitment. A fixed amount is paid into a benefit account every year, and interest is paid at the applicable statutory maximum technical interest rate for the life insurance industry in accordance with section 2 (1) of the German Regulation on the Principles Underlying the Calculation of the Premium Reserve (DeckRV). Once the pension event occurs, the amount in the benefit account is paid out either in ten annual installments or as a one-time payment. The pension event occurs upon retirement, in the event of occupational disability or death. In fiscal 2024, no pension contributions were increased. The following table shows the pensions obligations which result from the pension entitlement of the members of the Executive Board.

Pension obligations

		IAS 19			
		Service cost		Present value of the pension obligation as of December 31	
€ thousand	Contribution level	2024	2023	2024	2023
Belén Garijo	650	640	638	8,710	7,858
Kai Beckmann	450	435	435	7,478	6,875
Peter Guenter	450	436	435	1,835	1,357
Matthias Heinzl	450	447	454	1,883	1,405
Helene von Roeder (Entry: July 1, 2023)	450	479	268	733	268
Total	2,450	2,437	2,230	20,639	17,763

Performance-related compensation

Performance-related compensation comprises the profit sharing as well as the LTIP.

Profit sharing

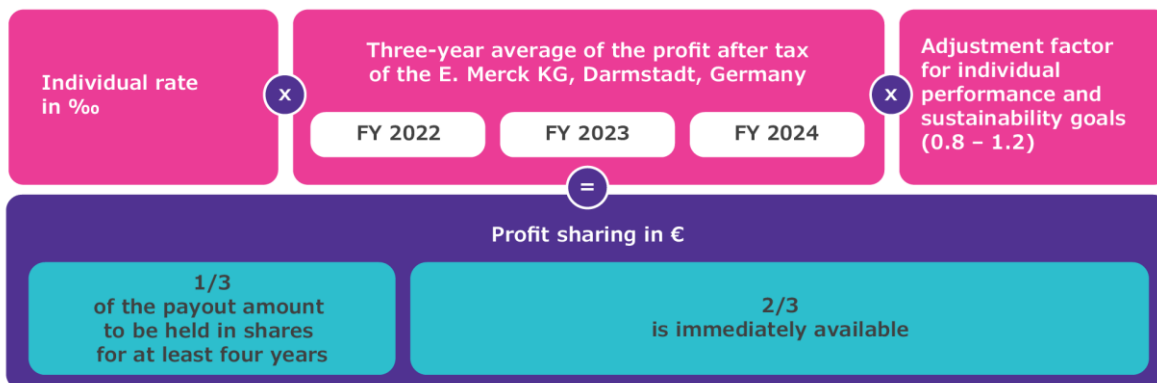
With regards to the profit sharing, an individual profit sharing rate is contractually defined for the members of the Executive Board as a per mille rate of the three-year average of the consolidated profit after tax of the Group of E. Merck KG, Darmstadt, Germany. Fiscal 2024 and the two preceding fiscal years are included in the calculation.

The use of profit after tax as the key performance indicator, which also serves as the basis for dividend payments, ensures very close alignment with shareholder interests.

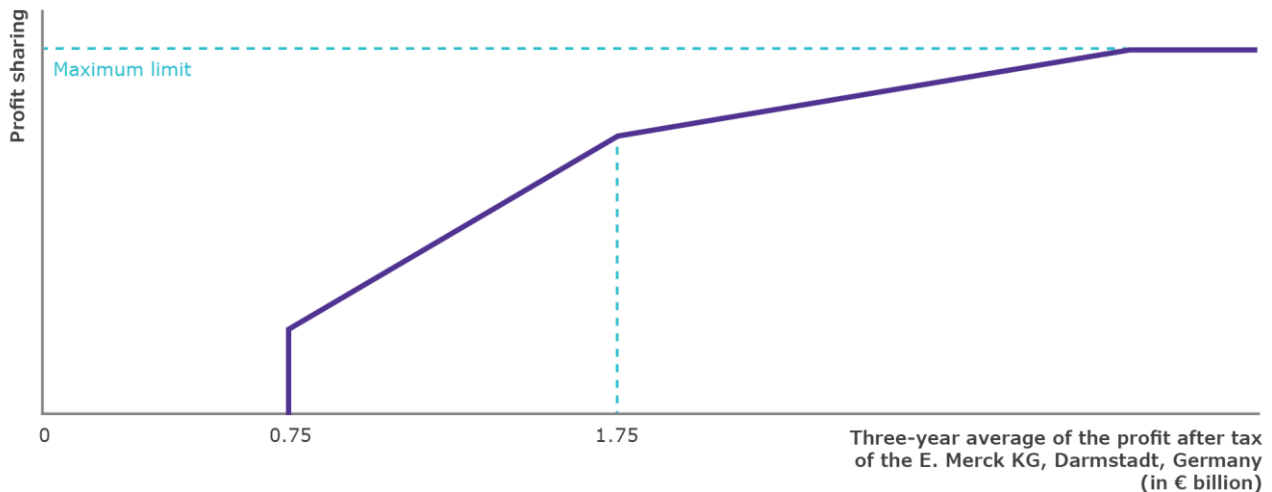
To appropriately consider the individual performance of the Executive Board members, the Personnel Committee may modify the payment by applying a factor ranging from 0.8 to 1.2. The performance factor allows recognition of outstanding individual performance as well as overachievement of sustainability targets by multiplying the profit sharing by a value greater than 1.0 up to 1.2. Similarly, multiplying by a value less than 1.0 down to 0.8 can reduce the profit sharing if the circumstances call for it such as failure of achieving specific sustainability targets.

The members of the Executive Board are obligated to invest one-third of the payout of the profit sharing in shares of Merck KGaA, Darmstadt, Germany, and to hold them for at least four years. The obligation to hold shares refers to the payout amount of the profit sharing. To simplify the calculation of the amount to which the shareholding obligation relates, it is assumed that one third of the payout amount corresponds to one sixth of the profit sharing. Further details are provided under the heading "[Share Ownership Guideline](#)".

The following illustration shows the profit sharing for fiscal 2024:



An average profit after tax of at least € 0.75 billion must be generated for the profit sharing payment to be made. This minimum threshold reflects the “pay-for-performance” approach of the compensation system. If the profit exceeds this threshold, the individual profit sharing rates are staggered as illustrated below:



The maximum profit sharing payment is capped individually. It amounts to € 4,810 thousand for Belén Garijo, € 3,500 thousand for Kai Beckmann, € 3,900 thousand for Peter Guenter, € 3,900 thousand for Matthias Heinzel, and € 3,300 thousand for Helene von Roeder.

The three-year average that is relevant for fiscal 2024 was based on the profit after tax generated by the Group of E. Merck KG, Darmstadt, Germany, in fiscal 2022, 2023 and 2024 as illustrated in the following table and graphic:

Profit after tax of the Group of E. Merck KG, Darmstadt, Germany

€ million	2021	2022	2023	2024
Profit after tax	3,003	3,288	2,760	2,696
Three-year average profit after tax (2021-2023)		3,017		
Three-year average profit after tax (2022-2024)			2,915	

(€ million)



The Personnel Committee has set the adjustment factor at 1.0 for all members of the Executive Board, taking into account individual performance and contribution to the sustainability goals against the background of the agreed criteria. Thanks to the performance and commitment of the members of the Executive Board, the Group has been put back on track for growth. The three business sectors Life Science, Healthcare and Electronics performed well in fiscal 2024 and showed numerous successes. In the area of sustainability, greenhouse gas emissions have been successfully reduced, new priorities have been set in water and waste management, and further sustainability goals have been achieved. With its sustainable leadership and well-thought-out decisions,

the Executive Board has made a significant contribution to the Group's rapid and successful return to growth. All members of the Executive Board contributed equally to this development. In the view of the Personnel Committee, it is therefore not appropriate to differentiate the adjustment factor between the individual members of the Executive Board.

Considering the relevant three-year average of the profit after tax, the individual sharing rates and the performance factor, the profit sharing and the shareholding obligation for fiscal 2024 are as follows:

Profit sharing 2024 summary

	Three-year average profit after tax (€ million)	Average individual profit-sharing rate 2024 (in per mill) ¹	Performance factor for individual performance	Profit sharing amount (€ thousand)	thereof investment obligation (1/3) (€ thousand) ²
Belén Garijo	2,915	1.55	1.0	4,515	1,505
Kai Beckmann		1.13	1.0	3,282	1,094
Peter Guenter		1.25	1.0	3,654	1,218
Matthias Heinzel		1.25	1.0	3,654	1,218
Helene von Roeder		1.06	1.0	3,082	1,027

¹ Profit sharing amount in relation to the three-year average after tax.

² Gross amount - investment obligation is based on payout amount.

The profit sharing 2024 will be paid out in April 2025. One-third of the payout of the profit sharing must be invested in shares of Merck KGaA, Darmstadt, Germany, and held for at least four years (investment obligation). Further details of the investment obligation can be found under "[Share Ownership Guideline](#)".

In fiscal 2024, the profit sharing for fiscal 2023 already explained in detail in the Compensation Report 2023 was paid out, which is thus reported as compensation awarded or due in fiscal 2024 in accordance with section 162 of the German Stock Corporation Act (AktG). Further details can be found in the following table from the previous year:

Profit sharing 2023 summary

	Three-year average profit after tax (€ million)	Average individual profit-sharing rate 2023 (in per mill) ¹	Performance factor for individual performance	Profit sharing amount (€ thousand)	thereof investment obligation (1/3) (€ thousand) ²
Belén Garijo	3,017	1.52	1.0	4,587	1,529
Kai Beckmann		1.10	1.0	3,333	1,111
Peter Guenter		1.23	1.0	3,712	1,237
Matthias Heinzel		1.23	1.0	3,712	1,237
Marcus Kuhnert (until June 30, 2023) ³		0.52	1.0	1,567	522
Helene von Roeder (since July 1, 2023) ⁴		0.52	1.0	1,567	522

¹ Profit sharing amount in relation to the three-year average after tax.

² Gross amount - investment obligation is based on payout amount.

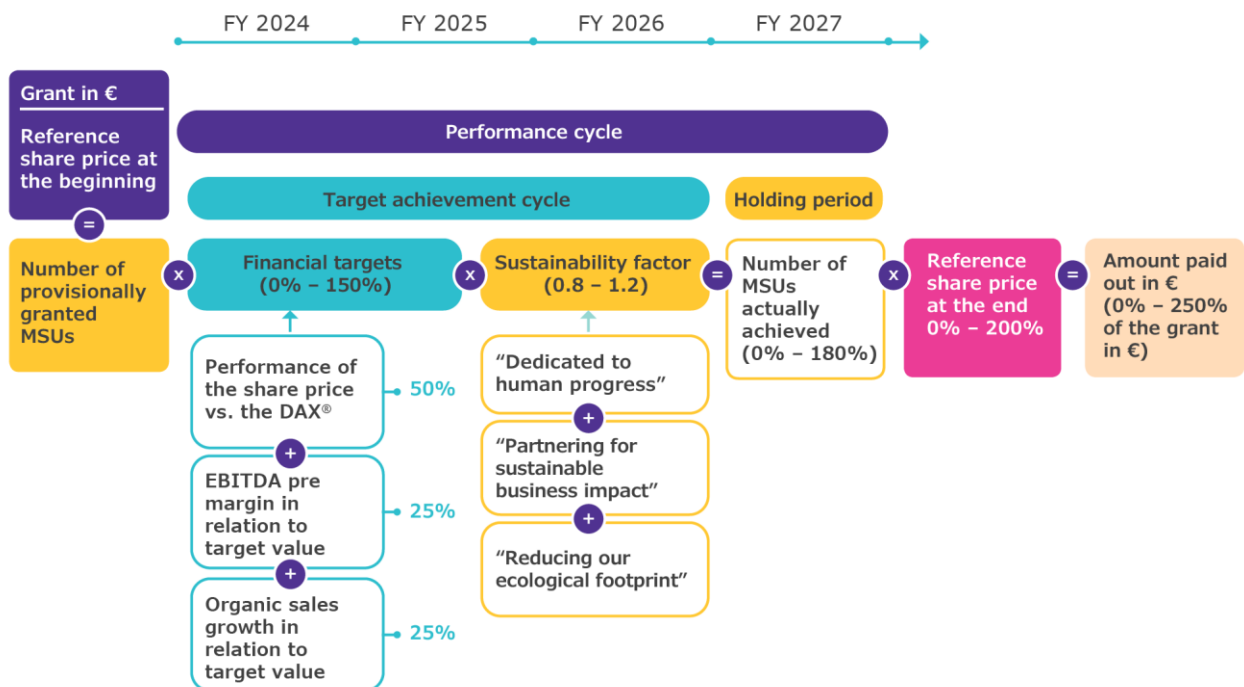
³ Pro-rated for January 1, 2023 until June 30, 2023

⁴ Pro-rated for July 1, 2023 until December 31, 2023

Long-Term Incentive Plan (LTIP)

LTIP tranche for fiscal 2024

The LTIP is designed as a virtual performance share plan. It is based on a four-year future-oriented performance cycle that is composed of a three-year target achievement cycle and a subsequent one-year holding period. In addition to three financial performance indicators, the LTIP takes sustainability targets into account. These targets are linked to a sustainability factor. The sustainability factor has a range of 0.8 to 1.2 and can increase or reduce the target achievement resulting from the financial key performance indicators by up to 20%. The following graphic illustrates the calculation of the Share Units of Merck KGaA, Darmstadt, Germany (MSUs), as well as the functionality of the sustainability factor.



Calculation of the MSUs

Under the LTIP, members of the Executive Board are provisionally granted a certain number of virtual shares, so-called Share Units of Merck KGaA, Darmstadt, Germany (MSUs). The number of MSUs is calculated as follows: An individual grant in Euros is set for each Executive Board member. Every year, this grant is divided by the definitive reference share price at the beginning of the performance cycle, resulting in the number of MSUs that the respective member is provisionally entitled to receive. The relevant reference share price is based on the average share price within the last 60 trading days prior to the start of the performance period.

In fiscal 2024, the LTIP tranche 2024 was allocated as follows:

LTIP Tranche 2024 allocation

	Grant amount (€ thousand)	Reference Group share price at the beginning (in €)	Number of provisionally granted MSUs	Maximum payout (€ thousand)
Belén Garijo	2,300	149,4	15,395	5,750
Kai Beckmann	1,715		11,479	4,288
Peter Guenter	1,900		12,718	4,750
Matthias Heinzel	1,900		12,718	4,750
Helene von Roeder	1,400		9,371	3,500

The number of MSUs actually allocated to the Executive Board members after the end of the target achievement cycle depends on the development of the financial performance indicators and the sustainability factor during the three-year target achievement cycle.

Based on the three financial performance indicators, the number of MSUs allocated may be between 0% and 150% of the provisionally granted MSUs. The resulting number of MSUs is then multiplied by the sustainability factor.

The sustainability factor target achievement can range between 0.8 and 1.2 and is determined by the predefined sustainability key indicators. Thus, the total number of MSUs actually allocated can amount to a maximum of 180% of the provisionally granted MSUs.

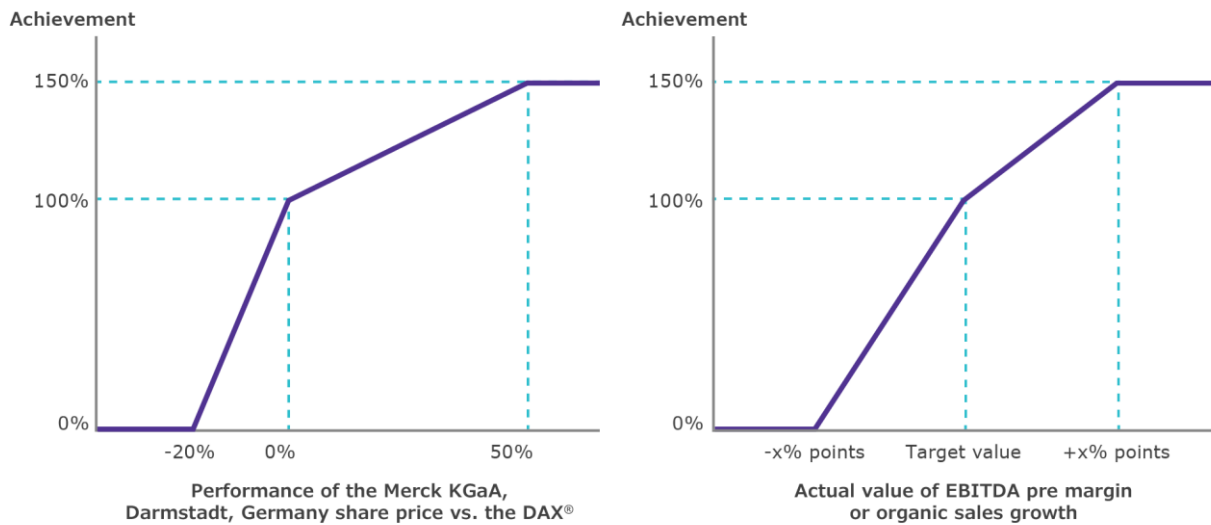
The target achievement cycle is followed by a one-year holding period. The final payout amount may be between 0% and a maximum of 250% of the amount initially granted and depends on the number of MSUs actually allocated and the reference share price at the end of the performance cycle.

Financial key performance indicators

The relevant financial key performance indicators are:

- The performance of the share price of Merck KGaA, Darmstadt, Germany, compared with the performance of the DAX® with a weighting of 50%;
- The EBITDA pre margin as a proportion of a defined target value with a weighting of 25%; and
- The organic sales growth of the group as a proportion of a predefined target value with a weighting of 25%.

The number of MSUs actually allocated after the end of the target achievement cycle is based on the following target achievement curves. The targets and thresholds for the key performance indicators of the EBITDA pre margin and organic sales growth are defined by the Personnel Committee at the beginning of the performance cycle and subsequently published in the Compensation Report.



Non-financial key indicators of the sustainability factor

With the introduction of the sustainability factor in fiscal 2022, our sustainability strategy also becomes incorporated into the LTIP. Based on the sustainability goals ("Dedicated to human progress", "Partnering for sustainable business impact" and "Reducing our ecological footprint"), the Personnel Committee defines corresponding specific and measurable sustainability key indicators as well as associated target and threshold values at the beginning of each tranche of the LTIP. These values are used to calculate target achievement at the end of the relevant target achievement cycle. The following sustainability criteria were defined for the selection of the sustainability key indicators:

- Relevance and influence of the sustainability key indicators on the three overarching sustainability goals of the sustainability strategy;
- Internal and external influence of the sustainability key indicators by management;
- Good measurability and operationalization; and
- Sustained impact to support long-term solutions and not incentivize short-term actions.

In addition, the Personnel Committee determines the weighting of the individual sustainability goal for each tranche of the LTIP to emphasize priorities.

The Personnel Committee has defined the following sustainability key indicators and weightings for the 2024 tranche of the LTIP:

Sustainability Goal	Weighting	Sustainability Key Indicator
Dedicated to human progress	30%	People treated with our Healthcare products (including schistosomiasis control program) and pharma products enabled by our Life Science business sector
Partnering for sustainable business impact	30%	Percentage of relevant suppliers (in terms of supplier spend) that are covered by a valid sustainability assessment
Reducing our ecological footprint	40%	Greenhouse gas emissions Scope 1+2

The following table shows the target corridors for the respective sustainability key indicators of the three overarching goals for the 2024 LTIP tranche ax ante.

Sustainability Goal/Key Indicator	Minimum	Target	Maximum
Dedicated to human progress			
Number of people treated with our Healthcare products (in million)			
Number of people treated as part of the schistosomiasis control program (in million)	557	625	685
Number of people treated with pharmaceutical products from our Life Science (in million)			
Partnering for sustainable business impact			
Relevant suppliers with a valid sustainability assessment (% of supplier spend)	84%	94%	100%
Reducing our ecological footprint			
Greenhouse gas emissions in Scope 1+2 worldwide in kilotons (kt)	900	825	750

The key indicators selected within the three overarching sustainability goals can be described as follows:

- “Dedicated to human progress”

We are convinced that with the help of science and technology, we can contribute to solving many global challenges. In this context, our Healthcare business sector measures how many people worldwide will be treated with our company's medical products. On the one hand, we look at the number of people treated with products from the Healthcare business sector, and on the other hand, we consider patients who are offered treatment with our praziquantel tablets as part of the schistosomiasis control program.

We also include the number of people who are treated with pharmaceuticals and medical products for the production of which technologies and products from our Life Science business sector have made an important contribution. We plan to continuously increase this sustainability goal and thus contribute to a significant improvement in medical care and the state of health of as many people as possible.

- “Partnering for sustainable business impact”

We measure our progress in embedding sustainability in our supply chains. We achieve this by increasing the transparency of our supply chains and subjecting more suppliers to a sustainability assessment. We are focusing particularly on suppliers for which we see sustainability risks in the supply chain and those suppliers who cover a relevant share of our supplier spend. Compared with the previous year, we have expanded the group of relevant suppliers with a significant share of supplier spend, which means that the new target values relate to an increased supplier base. In this context, it is important for us to increase the proportion of suppliers with a valid sustainability rating in relation to supplier spend.

- “Reducing our ecological footprint”

On our path to climate neutrality, we have already joined the Science Based Targets Initiative and aim to reduce both direct (Scope 1) and indirect emissions (Scope 2) by 50% by 2030 compared with fiscal 2020. This target is to be achieved through the reduction of process-related emissions, energy efficiency measures, and increased purchase of electricity from renewable sources. Particularly in the case of process emissions (Scope 1), we aim to significantly reduce emissions by using new technologies.

The selected key indicators were confirmed as material in the CSRD materiality analysis and serve to achieve the goals of the sustainability strategy.

Target Achievement LTIP

The LTIP tranche 2021 that was allocated in fiscal 2021 was structured without the sustainability factor introduced in fiscal 2022. The four-year performance period consisted of the target achievement cycle of three years (January 1, 2021 to December 31, 2023) and the subsequent one-year holding period (until December 31, 2024). At the end of the entire performance cycle of the LTIP 2021, the target achievement and the payout amounts were calculated based on the final share price. The relevant final share price is based on the average share price within 60 trading days prior to the end of the performance period. The LTIP tranche 2021 will be paid out in April 2025.

The targets and thresholds, the actual amounts, and the resulting target achievement for the LTIP tranche 2021 are as follows:

LTIP 2021 target achievement

	Lower target corridor limit	Target	Upper target corridor limit	Actual achieved value	Target achievement
Share price performance relative to the DAX® (weighting: 50%)	-20.0%	0.0%	50.0%	-8.6%	57.0%
EBITDA pre margin (weighting: 25%)	24.9%	27.9%	30.9%	29.9%	133.4%
Organic sales growth (weighting: 25%)	5.7%	8.7%	11.7%	6.2%	16.8%
Total target achievement					66.1%

The resulting final number of MSUs and the payout amounts of the LTIP tranche 2021 are shown in the following table.

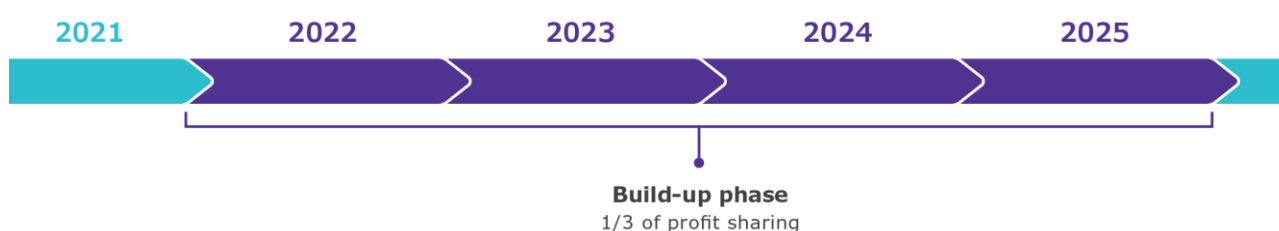
LTIP 2021 summary

	Grant amount (€ thousand)	Reference Group share price at the beginning (in €)	Number of provisionally granted MSUs	Total target achievement	Final number of MSUs	Reference Group share price at the end (in €)	Payout amount (€ thousand) ¹
Belén Garijo	2,190		16,538		10,932		1,619
Kai Beckmann	1,715		12,951		8,554		1,268
Peter Guenter	1,900		14,348		9,484		1,404
Matthias Heinzl (since April 1, 2021)	1,425	132.43	10,761	66.1%	7,108	148,18	1,053
Marcus Kuhnert (until June 30, 2023)	1,400		10,572		6,988		1,035
Stefan Oschmann (until April 30, 2021)	752		5,676		3,752		556

¹ Payout capped at 250% of the grant value. A pro-rata payout has been made for Stefan Oschmann.

Share Ownership Guideline

At the beginning of fiscal 2021, the obligation to acquire and to hold shares of Merck KGaA, Darmstadt, Germany, was linked to the profit sharing in accordance with the Share Ownership Guideline (SOG). Accordingly, the members of the Executive Board are for the first time obliged to invest one-third of the payout of the profit sharing in shares and to hold them for at least four years (investment obligation with effect as of fiscal 2022). The shareholding obligation is thus gradually built up over four years beginning with fiscal 2022. The build-up phase will be completed for the first time at the end of fiscal 2025. The aim is for the Chair to acquire 200% of base salary and for the members of the Executive Board to acquire 100% of the base salary in shares of Merck KGaA, Darmstadt, Germany, and to hold them. The corresponding investments are made as part of an automated purchase via an external provider. All members of the Executive Board fulfilled the corresponding obligation to make their own investments in fiscal 2024 as well as in the previous year.



The Share Ownership Guideline promotes an even stronger alignment of the interests of the members of the Executive Board with the sustainable interests of our shareholders and additionally increases the corporate responsibility of the members of the Executive Board in addition to their status as general partners.

Malus and clawback provisions

Through their status as personally liable general partners of Merck KGaA, Darmstadt, Germany, and E. Merck KG, Darmstadt, Germany, the Executive Board members bear a unique entrepreneurial responsibility. This is also reflected by the malus criteria set forth in the adjustment factor of the profit sharing and by the German statutory regulations on liability for damages stipulated in section 93 of the German Stock Corporation Act (AktG). In order to take even greater account of the prominent position of entrepreneurial responsibility in compensation, a clawback provision is implemented for the LTIP. Cases in which the clawback provision may be applied include violations of internal rules and regulations (Code of Conduct), legislation, other binding external requirements in responsibility, significant breaches of duty of care within the meaning of section 93 AktG, and other grossly non-compliant or unethical behavior or actions that are contradictory to our company values. In these cases, amounts that have already been allocated under the LTIP may be retained. The Personnel Committee is entitled to demand the repayment of profit sharing and LTIP payouts from a member of the Executive Board if it subsequently transpires that the payout was made wrongfully, either in full or in part. For example, this is the case when targets are not actually met or are not met to the extent assumed when the payout was calculated due to incorrect information being applied. The extent of these claims for restitution is based on section 818 of the German Civil Code (BGB). The Personnel Committee may agree deadlines for the assertion of claims for restitution with the members of the Executive Board.

Neither the malus provision nor the clawback provision was exercised in fiscal 2024.

Compensation-related transactions

Contracts with the members of the Executive Board are usually entered into for a period of five years. If a contract begins during the year, the fixed compensation, profit sharing and individual LTIP tranches are paid on a pro rata basis.

Should members of the Executive Board be held liable for financial losses while executing their duties, this liability risk is covered by a Directors-and-Officers insurance policy under certain circumstances. This insurance policy has a deductible in accordance with the legal requirements.

Obligations in connection with the termination of Executive Board membership

The contracts of the Executive Board members do not provide for ordinary termination. The right to extraordinary termination for good cause in accordance with section 626 BGB is available to both parties without observing a notice period.

The contracts of the Executive Board members provide for the continued payment of fixed compensation to surviving dependents for a limited period in the event of death. Above and beyond existing pension obligations, no further obligations are provided for in the event of the termination of the contractual relationships of the Executive Board members.

The amounts payable to Executive Board members are capped in the event of the early termination of the contract without good cause justifying such termination. Pursuant to this, payments in connection with the termination of an Executive Board member's duties shall not exceed twice the annual total compensation or constitute compensation for more than the remaining term of the employment contract (severance cap). If an Executive Board member's membership terminates due to the termination of the contract either by the company or the Executive Board member before the four-year performance cycle of an open LTIP tranche expires, the obligations resulting from the LTIP shall continue if there are specific reasons for the termination, such as the contract is not renewed after it expires or if the Board of Partners determines this to be appropriate at its own discretion; otherwise, the obligations shall expire.

Should obligations resulting from the LTIP continue to apply, any early severance payout is excluded. Likewise, no early payout or severance for the profit-sharing payment is granted. If the compensation in the fiscal year in which the Executive Board member's duties cease is expected to be significantly higher or lower than in the previous fiscal year, the Board of Partners may decide to adjust the amount applied as the member's total compensation at its own discretion.

In fiscal 2023, a termination agreement was reached with Marcus Kuhnert on his early termination from the Executive Board with effect from June 30, 2023. As agreed, Marcus Kuhnert received his fixed compensation, corresponding fringe benefits and pro rata variable compensation until July 31, 2024.

In fiscal 2024, no adjustments or changes were made to the service contracts of the Executive Board Members.

Post-contractual non-competition

Post-contractual non-compete clauses have been agreed with the members of the Executive Board. In general, the post-contractual non-compete clause is associated with a compensation of 50% of the average compensation within the last twelve months and is granted for two years. Other earnings, pension payments and any severance payments are to be offset against this amount.

Owing to his early termination on June 30, 2023, a post-contractual non-compete clause with effect from July 31, 2024, has been agreed with Marcus Kuhnert. The continued payment of the base salary of € 100,000 per month as well as the variable compensation until July 31, 2024, i.e. for the regular remaining term of his contract, was provided for as compensation for waiting periods. For fiscal 2024, Marcus Kuhnert will receive a pro rata profit sharing for the period from January 1, 2024, to July 31, 2024, in the amount of € 1,793,817 to be paid out in April 2025. No further compensation was granted.

Loans, advances, payments by affiliates of the Group

Neither loans nor advances were paid to members of the Executive Board during fiscal 2024, nor any payments by affiliated companies.

Individual Disclosure of the Compensation of the Executive Board

Compensation awarded or due to current members of the Executive Board in fiscal 2024

In accordance with section 162 (1) of the German Stock Corporation Act (AktG), the compensation awarded or due to each member of the Executive Board in fiscal 2024 and the respective relative share of total compensation are presented transparently in the tables below. This includes all compensation elements that were paid out or became legally due in fiscal 2024. Due to the introduction of the one-year holding period from the LTIP tranche 2021, there will be a payout gap for the LTIP in fiscal 2024.

To ensure a transparent presentation of the relation between business performance and the resulting compensation, variable compensation for fiscal 2024 is also disclosed on a voluntary basis, with the variable compensation components being allocated to the fiscal year in which the final performance was rendered, irrespective of the actual date of payment or the legal due date.

To provide a complete picture of the total compensation of the Executive Board members, pension expense is also reported on a voluntary basis.

The compensation of the current members of the Executive Board is shown in the following tables.

In fiscal 2024 pursuant to section 162 AktG	For fiscal 2024 as voluntary disclosure
Base salary	
Additional benefits	
Profit sharing for fiscal 2023, payout in fiscal 2024:	Profit sharing for fiscal 2024, payout in fiscal 2025:
<ul style="list-style-type: none"> • Payout in cash • Investment (in shares; 4-year holding period according to Share Ownership Guideline) 	<ul style="list-style-type: none"> • Payout in cash • Investment (in shares; 4-year holding period according to Share Ownership Guideline)
-	LTIP tranche 2021 (Jan 1, 2021-Dec 31, 2024), payout in fiscal 2025
Other compensation	
Service cost as voluntary disclosure	

The figures presented in the tables have been rounded in accordance with standard commercial practice. As a result, the individual values may not add up to the totals presented.

Compensation awarded or due

Belén Garijo Chair of the Executive Board (since May 1, 2021; previously member of the Executive Board)					
	In the fiscal year (pursuant to section 162 AktG)			For the fiscal year (voluntary disclosure)	
	2024		2023	2024	2023
	€ thousand	in %	€ thousand	€ thousand	€ thousand
Base salary	1,500	24.4%	1,500	1,500	1,500
Additional benefits	58	0.9%	89	58	89
Profit sharing					
Profit sharing 2022					
Payout in cash	–	–	2,927	–	–
Investment obligation (in shares; 4-year holding period)	–	–	1,463	–	–
Profit sharing 2023					
Payout in cash	3,058	49.8%	–	–	3,058
Investment obligation (in shares; 4-year holding period)	1,529	24.9%	–	–	1,529
Profit sharing 2024					
Payout in cash	–	–	–	3,010	–
Investment obligation (in shares; 4-year holding period)	–	–	–	1,505	–
LTIP					
LTIP 2020 (2020 to 2022)	–	–	3,910	–	–
LTIP 2021 (2021 to 2024)	–	–	–	1,619	–
Compensation awarded or due pursuant to section 162 AktG	6,145	100.0%	9,889	–	–
Compensation for the fiscal year	–	–	–	7,692	6,176
Service cost	640	–	638	640	638
Total compensation incl. service cost	6,785	–	10,527	8,332	6,814

Kai Beckmann
Member of the Executive Board

	In the fiscal year (pursuant to section 162 AktG)		For the fiscal year (voluntary disclosure)	
	2024		2023	
	€ thousand	in %	€ thousand	€ thousand
Base salary	1,200	26%	1,200	1,200
Additional benefits	20	0.4%	22	22
Profit sharing				
Profit sharing 2022				
Payout in cash	–	–	2,128	–
Investment obligation (in shares; 4-year holding period)	–	–	1,064	–
Profit sharing 2023				
Payout in cash	2,222	48.8%	–	2,222
Investment obligation (in shares; 4-year holding period)	1,111	24.4%	–	1,111
Profit sharing 2024				
Payout in cash	–	–	–	2,188
Investment obligation (in shares; 4-year holding period)	–	–	–	1,094
LTIP				
LTIP 2020 (2020 to 2022)	–	–	3,406	–
LTIP 2021 (2021 to 2024)	–	–	–	1,268
Compensation awarded or due pursuant to section 162 AktG	4,553	100.0%	7,820	–
Compensation for the fiscal year	–	–	–	4,555
Service cost	435	–	435	435
Total compensation	4,988	–	8,255	4,990

Peter Guenter
Member of the Executive Board
(since January 1, 2021)

	In the fiscal year (pursuant to section 162 AktG)			For the fiscal year (voluntary disclosure)	
	2024		2023	2024	2023
	€ thousand	in %	€ thousand	€ thousand	€ thousand
Base salary	1,200	22.5%	1,200	1,200	1,200
Additional benefits ¹	413	7.8%	392	413	392
Profit sharing					
Profit sharing 2022					
Payout in cash	-	-	2,368	-	-
Investment obligation (in shares; 4-year holding period)	-	-	1,184	-	-
Profit sharing 2023					
Payout in cash	2,475	46.5%	-	-	2,475
Investment obligation (in shares; 4-year holding period)	1,237	23.2%	-	-	1,237
Profit sharing 2024					
Payout in cash	-	-	-	2,436	-
Investment obligation (in shares; 4-year holding period)	-	-	-	1,218	-
LTIP					
LTIP 2020 (2020 to 2022)	-	-	-	-	-
LTIP 2021 (2021 to 2024)	-	-	-	1,404	-
Compensation awarded or due pursuant to section 162 AktG	5,325	100.0%	5,144	-	-
Compensation for the fiscal year	-	-	-	6,671	5,304
Service cost	436	-	435	436	435
Total compensation	5,761	-	5,579	7,107	5,739

¹ Includes payment of € 375 thousand to compensate for loss of variable compensation entitlement from former employment relationship.

Matthias Heinzel
Member of the Executive Board
(since April 1, 2021)

	In the fiscal year (pursuant to section 162 AktG)			For the fiscal year (voluntary disclosure)	
	2024		2023	2024	2023
	€ thousand	in %	€ thousand	€ thousand	€ thousand
Base salary	1,200	24.4%	1,200	1,200	1,200
Additional benefits	12	0.2%	16	12	16
Profit sharing					
Profit sharing 2022					
Payout in cash	-	-	2,368	-	-
Investment obligation (in shares; 4-year holding period)	-	-	1,184	-	-
Profit sharing 2023					
Payout in cash	2,475	50.3%	-	-	2,475
Investment obligation (in shares; 4-year holding period)	1,237	25.1%	-	-	1,237
Profit sharing 2024					
Payout in cash	-	-	-	2,436	-
Investment obligation (in shares; 4-year holding period)	-	-	-	1,218	-
LTIP					
LTIP 2020 (2020 to 2022)	-	-	-	-	-
LTIP 2021 (2021 to 2024)	-	-	-	1,053	-
Compensation awarded or due pursuant to section 162 AktG	4,924	100.0%	4,768	-	-
Compensation for the fiscal year	-	-	-	5,919	4,928
Service cost	447	-	454	447	454
Total compensation	5,371	-	5,222	6,366	5,382

Helene von Roeder
Member of the Executive Board
(since July 1, 2023)

	In the fiscal year (pursuant to section 162 AktG)			For the fiscal year (voluntary disclosure)	
	2024		2023	2024	2023
	€ thousand	in %	€ thousand	€ thousand	€ thousand
Base salary	1,200	39.4%	600	1,200	600
Additional benefits ¹	276	9.1%	9	213	962
Profit sharing					
Profit sharing 2022					
Payout in cash	–	–	–	–	–
Investment obligation (in shares; 4-year holding period)	–	–	–	–	–
Profit sharing 2023					
Payout in cash	1,044	34.3%	–	–	1,044
Investment obligation (in shares; 4-year holding period)	522	17.2%	–	–	522
Profit sharing 2024					
Payout in cash	–	–	–	2,055	–
Investment obligation (in shares; 4-year holding period)	–	–	–	1,027	–
LTIP					
LTIP 2020 (2020 to 2022)	–	–	–	–	–
LTIP 2021 (2021 to 2024)	–	–	–	–	–
Compensation awarded or due pursuant to section 162 AktG	3,043	100.0%	609	–	–
Compensation for the fiscal year	–	–	–	4,495	4,081
Service cost	479	–	268	479	268
Total compensation	3,522	–	877	4,974	4,349

¹ In addition, compensation payments and corresponding provisions are included in the additional benefits. In 2024, a payment of € 257 thousand was made to compensate for the loss of short-term variable compensation from previous employment for fiscal 2023. In 2023, provisions of € 696 thousand were created to compensate for the loss of long-term variable compensation entitlements from previous employment. For fiscal 2024, this provision was increased by € 194 thousand.

Compensation awarded or due to former members of the Executive Board in the fiscal year

The compensation awarded or due to former members of the Executive Board during the fiscal year is also presented below. Tranches of the LTIP already allocated before a member of the Executive Board left the company continue to run until the end of the originally contractually agreed term and are settled and paid out after the end of the performance period. In addition, some members who have already left the Executive Board receive fixed payments from pension plans.

The following tables show the compensation awarded or due to former members of the Executive Board in fiscal 2024 in accordance with section 162 (1) AktG and the respective relative share of total compensation. Compensation awarded or due includes all amounts received by the former members of the Executive Board in the fiscal year (compensation awarded) or all amounts legally due but not yet received (compensation due). For former members of the Executive Board who left the Executive Board in the last ten years, the information is indicated by name. In accordance with the provisions of section 162 (5) AktG, no personal information is provided on former members of the Executive Board who left the Executive Board more than ten years ago, i.e. before December 31, 2012.

Compensation awarded or due

	Marcus Kuhnert Member of the Executive Board (until June 30, 2023)		
	2024		2023
	€ thousand	in %	€ thousand
Base salary	–	–	600
Additional benefits	–	–	26
Profit Sharing			
Profit Sharing 2022	–	–	–
Payout in cash	–	–	1,995
Investment (in shares)	–	–	998
Profit Sharing 2023	–	40.9%	–
Payout in cash	1,044	–	–
Investment (in shares)	522	–	–
LTIP			
LTIP 2020 (2020 to 2022)	–	76.7%	2,939
Others (waiting allowance)	2,266	33.5%	600
Compensation awarded or due pursuant to section 162 AktG	3,832	100.0%	7,158

Former members of the Executive Board who only received pension payments in fiscal 2024 are shown in the following table. The compensation awarded or due in fiscal 2024 in accordance with section 162 (1) AktG consists entirely of non-performance-related compensation elements.

Pension payments

€ thousand	2024	2023
Karl-Ludwig Kley	768	756
Bernd Reckmann	521	443
Stefan Oschmann	642	619

Payments to former members of the Executive Board and their surviving dependents

Payments to former members of the Executive Board and their surviving dependents are made in the form of pension payments, as a temporary continuation of the basic salary in the event of death, as part of the profit-sharing and the LTIP, as well as compensation for a post-contractual non-compete clause. In fiscal 2024, they amounted to € 18.3 million (previous year: € 14.4 million). Provisions for defined benefit pension commitments in accordance with IAS 19 amounted to € 121.5 million as of December 31, 2024 (December 31, 2023: € 123.8 million).

Compliance with the defined maximum compensation

The maximum compensation limits the compensation awarded or due in the fiscal year, i.e. the total of all non-performance-related and performance-related compensation elements awarded or due in a fiscal year. Pension payments are not included in the maximum compensation.

The maximum compensation for the fiscal year is € 11,500,000 for the Chair of the Executive Board and € 9,500,000 each for ordinary members of the Executive Board. The sum of the compensation awarded or due in accordance with section 162 AktG less any pension payments and plus pension expenses is below the defined maximum compensation in accordance with section 87a AktG for all members of the Executive Board.

In addition to the maximum compensation, there is a separate contractually agreed payment cap for each of the performance-related compensation elements. A maximum amount has been set for the amount of Profit Sharing for all members of the Executive Board (please find more details in the paragraph “[Profit Sharing](#)”). The payout from the LTIP cannot exceed 2.5 times the individual award value, even in cases of exceptional performance.

In addition, there is a contractually agreed maximum limit on the direct compensation, i.e. the sum of base salary, profit-sharing, and LTIP. In this context, it is stipulated that capping compensation, if necessary, shall be applied first to the LTIP and then to the Profit Sharing.

Compliance with the defined maximum compensation is ensured by the Personnel Committee setting the amounts of the variable compensation components by resolution. The defined maximum compensation and the maximum limit for the direct compensation of the members of the Executive Board are shown in the following table.

Overall compensation limit

€ thousand	Maximum limit for Direct Compensation	Maximum compensation pursuant to section 87a AktG
Belén Garijo	9,800	11,500
Kai Beckmann	8,000	9,500
Peter Guenter	8,000	9,500
Matthias Heinzel	8,000	9,500
Helene von Roeder	8,000	9,500

Compensation for the Supervisory Board members in fiscal 2024

At the Annual General Meeting 2024, the new compensation system for the members of the Supervisory Board was approved with a voting result of 99.06%. The new compensation system has been in force since May 1, 2024. The previous compensation system applied until April 30, 2024.

Essentially, the following amendments have been introduced:

	Compensation until April 30, 2024	Compensation since May 1, 2024
Fixed compensation	<ul style="list-style-type: none"> ▪ € 94.000 (Chair) ▪ € 70.500 (Deputy) ▪ € 47.000 (Member) 	<ul style="list-style-type: none"> ▪ € 187.500 (Chair) ▪ € 112.500 (Deputy) ▪ € 75.000 (Member)
Audit Committee	<ul style="list-style-type: none"> ▪ € 30.000 (Chair) ▪ € 15.000 (Member) 	<ul style="list-style-type: none"> ▪ € 100.000 (Chair) ▪ € 50.000 (Member)
Attendance fee	<ul style="list-style-type: none"> ▪ € 750 	<ul style="list-style-type: none"> ▪ € 1.000

With these adjustments, the company aims to raise the compensation of the Supervisory Board to a competitive level in line with market standards. The fixed compensation of the Supervisory Board members was increased from € 47,000 to € 75,000 and the attendance fee from € 750 to € 1,000. In addition, the differentiation factor between the Chair and the ordinary members of the Supervisory Board was increased from 2 to 1 to 2.5 to 1. In addition, the compensation for the Audit Committee was increased from € 15,000 to € 50,000. The Chair of the Audit Committee also receives an additional annual compensation of € 100,000. Membership of the Nomination Committee will continue to be not additionally compensated. In addition, the members of the Supervisory Board receive an attendance fee of € 1,000 for each meeting of the Supervisory Board in which they participate. If several meetings take place on one day, the attendance fee is only paid once. Participation in a meeting using electronic media is also considered to be participation. The members of the Supervisory Board are covered by the Directors-and-Officers insurance. Expenses are reimbursed to the respective members of the Supervisory Board.

Compensation awarded or due to the members of the Supervisory Board in fiscal 2024

The following table illustrates the compensation awarded or due and the respective relative share of the total compensation for the current members of the Supervisory Board. The compensation components are allocated to the fiscal year in which the service was rendered, regardless of the actual time of payment or its legal due date. For the members of the Supervisory Board who joined or left the Supervisory Board in the financial year, the amounts are disclosed on a pro rata basis.

There were no payments to former members of the Supervisory Board in the fiscal year.

Compensation awarded or due

	2024							2023						
	Fixed compensation		Compensation for committee duties		Meeting fees		Total compensation	Fixed compensation		Compensation for committee duties		Meeting fees		Total compensation
	€ thousand	in %	€ thousand	in %	€ thousand	in %	€ thousand	€ thousand	in %	€ thousand	in %	€ thousand	in %	€ thousand
Michael Kleinemeier (Chair since February 13, 2024)	150.6	79%	33.5	18%	7.3	4%	191.3	47.0	93%	–	–	3.8	7%	50.8
Wolfgang Büchele (Chair until February 12, 2024)	11.0	82%	1.8	13%	0.8	6%	13.6	94.0	83%	15.0	13%	3.8	3%	112.8
Sascha Held (Vice Chair)	98.3	68%	38.3	27%	7.3	5%	143.8	70.5	79%	15.0	17%	3.8	4%	89.3
Birgit Biermann	65.5	90%	–	–	7.3	10%	72.8	47.0	93%	–	–	3.8	7%	50.8
Gabriele Eismann (until April 26, 2024)	15.0	91%	–	–	1.5	9%	16.5	47.0	93%	–	–	3.8	7%	50.8
Katja Garcia Vila (since April 26, 2024)	50.6	56%	33.5	37%	5.8	6%	89.9	–	–	–	–	–	–	–
Jürgen Glaser (until April 26, 2024)	15.0	71%	4.8	23%	1.5	7%	21.3	47.0	72%	15.0	23%	3.8	6%	65.8
Renate Koehler (until April 26, 2024)	15.0	91%	–	–	1.5	9%	16.5	47.0	93%	–	–	3.8	7%	50.8
Carla Kriwet (since April 26, 2024)	50.6	90%	–	–	5.8	10%	56.4	–	–	–	–	–	–	–
Barbara Lambert	65.5	44%	76.6	52%	6.3	4%	148.4	18.4	60%	11.3	37%	0.8	3%	30.5
Anne Lange	65.5	90%	–	–	7.3	10%	72.8	47.0	93%	–	–	3.8	7%	50.8
Peter Emanuel Merck (until April 26, 2024)	15.0	91%	–	–	1.5	9%	16.5	47.0	93%	–	–	3.8	7%	50.8
Dietmar Oeter	65.5	90%	–	–	7.3	10%	72.8	47.0	93%	–	–	3.8	7%	50.8
Stefan Palzer (since April 26, 2024)	50.6	90%	–	–	5.8	10%	56.4	–	–	–	–	–	–	–
Alexander Putz	65.5	93%	–	–	5.3	7%	70.8	47.0	93%	–	–	3.8	7%	50.8
Christian Raabe	65.5	59%	38.3	35%	7.3	7%	111.1	47.0	72%	15.0	23%	3.8	6%	65.8
Michael Reinhart (since April 26, 2024)	50.6	57%	33.5	38%	4.8	5%	88.9	–	–	–	–	–	–	–
Helga Rübsamen-Schaeff (until April 26, 2024)	15.0	95%	–	–	0.8	5%	15.8	47.0	93%	–	–	3.8	7%	50.8
Susanne Schaffert (since April 26, 2024)	50.6	90%	–	–	5.8	10%	56.4	–	–	–	–	–	–	–
Sandra Schwebke (since April 26, 2024)	50.6	91%	–	–	4.8	9%	55.4	–	–	–	–	–	–	–
Daniel Thelen	65.5	86%	4.8	6%	6.3	8%	76.6	47.0	72%	15.0	23%	3.8	6%	65.8
Simon Thelen	65.5	90%	–	–	7.3	10%	72.8	47.0	93%	–	–	3.8	7%	50.8
Total	1,163.1		265.1		108.5		1,536.7	807.7		95.1		57.8		960.6

Comparative presentation of compensation and earnings development

The comparative presentation in accordance with section 162 (1) no. 2 AktG shows the annual change in the compensation of current and former members of the Executive Board as well as members of the Supervisory Board, the development of earnings of the Group and the development of the average compensation of a full-time employee of Merck KGaA, Darmstadt, Germany, over the last five years.

For employee compensation, the average personnel expenses excluding company pension costs are used. This reflects the total compensation of employees worldwide.

For members of the Executive Board, the compensation awarded or due in the fiscal years 2021, 2022, 2023 and 2024 is used in accordance with section 162 AktG. For fiscal 2020, the allocated compensation is used excluding the service costs according to the German Corporate Governance Code (DCGK) sample table in the Compensation Report 2020.

Comparative presentation

in € thousand/change in %	2024	2023	Change 2024/2023	Change 2023/2022	Change 2022/2021	Change 2021/2020
Member of the Executive Board						
Belén Garijo (Chair since May 1, 2021)	6,145	9,889	-37.9%	–	22.2%	43.3%
Kai Beckmann (since April 1, 2011)	4,553	7,820	-41.8%	-0.9%	25.0%	37.9%
Peter Guenter (since January 1, 2021)	5,325	5,144	3.5%	8.0%	185.1%	–
Matthias Heinzel (since April 1, 2021)	4,924	4,768	3.3%	32.6%	288.9%	–
Helene von Roeder (since July 1, 2023)	3,043	609	399.6%	–	–	–
Former Member of the Executive Board						
Marcus Kuhnert (until June 30, 2023)	3,832	7,158	-46.5%	-5.6%	23.5%	43.2%
Stefan Oschmann (until April 30, 2021)	642	4,011	-84.0%	-60.6%	-11.8%	41.8%
Karl-Ludwig Kley (until August 31, 2016)	768	756	1.5%	8.8%	10.3%	–
Bernd Reckmann (until April 29, 2016)	521	443	17.5%	–	-3.5%	6.7%
Further former members	7,328	7,409	-1.1%	5.9%	-66.0%	85.0%
Member of the Supervisory Board						
Michael Kleinemeier (Chair since February 13, 2024)	191.3	50.8	277.0%	1.5%	–	–
Wolfgang Büchele (Chair until February 12, 2024)	13.6	112.8	-88.0%	0.7%	2.1%	13.1%
Sascha Held (Vice Chair)	143.8	89.3	61.2%	0.8%	2.7%	17.3%
Birgit Biermann (since July 14, 2022)	72.8	50.8	43.4%	116.0%	–	–
Gabriele Eismann (until April 26, 2024)	16.5	50.8	-67.4%	1.5%	–	–
Katja Garcia Vila (since April 26, 2024)	89.9	–	–	–	–	–
Jürgen Glaser (until April 26, 2024)	21.3	65.8	-67.6%	10.5%	20.7%	-1.4%
Renate Koehler (until April 26, 2024)	16.5	50.8	-67.4%	1.5%	–	–
Carla Kriwet (since April 26, 2024)	56.4	–	–	–	–	–
Barbara Lambert (since August 11, 2023)	148.4	30.5	387.2%	–	–	–
Anne Lange	72.8	50.8	43.4%	1.5%	–	–
Peter Emanuel Merck (until April 26, 2024)	16.5	50.8	-67.4%	1.5%	–	–
Dietmar Oeter	72.8	50.8	43.4%	1.5%	–	–
Stefan Palzer (since April 26, 2024)	56.4	–	–	–	–	–
Alexander Putz	70.8	50.8	39.5%	1.5%	–	70.1%
Christian Raabe	111.1	65.8	68.9%	1.2%	3.7%	25.4%
Michael Reinhart (since April 26, 2024)	111.1	–	–	–	–	–
Helga Rübsamen-Schaeff (until April 26, 2024)	15.8	50.8	-68.9%	1.5%	–	–
Susanne Schaffert (since April 26, 2024)	56.4	–	–	–	–	–
Sandra Schwebke (since April 26, 2024)	55.4	–	–	–	–	–
Daniel Thelen	76.6	65.8	16.5%	1.2%	3.7%	25.4%
Simon Thelen	72.8	50.8	43.4%	1.5%	–	–
Personnel expenses without pension expenses	6,320,000	6,152,000	2.7%	-0.5%	11.0%	3.9%
Average number of employees	62,329	63,642	-2.1%	1.7%	6.6%	2.0%
Average compensation of an employee	101.4	96.7	4.9%	-2.2%	4.2%	1.9%
Earnings development						
Profit after tax of the Merck KGaA, Darmstadt, Germany (HGB)	284,333	284,881	-0.2%	17.70%	-16.20%	59.40%
Profit after tax of the Group of E. Merck KG, Darmstadt, Germany (IFRS)	2,659,863	2,759,954	-3.6%	-16.10%	9.50%	56.80%

Report of the Independent Auditor

To MERCK Kommanditgesellschaft auf Aktien, Darmstadt, Germany

We have audited the accompanying compensation report of MERCK Kommanditgesellschaft auf Aktien, Darmstadt, Germany, ("the Company") for the financial year from January 1 to December 31, 2024, including the related disclosures, which has been prepared to comply with section 162 German Stock Corporation Act (AktG).

Responsibilities of the Executive Directors and of the Supervisory Board

The executive directors and the supervisory board of MERCK Kommanditgesellschaft auf Aktien, Darmstadt, Germany, are responsible for the preparation of the compensation report, including the related disclosures, that complies with the requirements of section 162 AktG. The executive directors and the supervisory board are also responsible for such internal control as they consider necessary to enable the preparation of a compensation report, including the related disclosures, that is free from material misstatements, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

Auditor's Responsibilities

Our responsibility is to express an opinion on this compensation report, including the related disclosures, based on our audit. We conducted our audit in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). These Standards require that we fulfill the professional responsibilities and that we plan and perform the audit so that we obtain reasonable assurance as to whether the compensation report, including the related disclosures, is free from material misstatements.

An audit involves performing audit procedures in order to obtain audit evidence for the amounts stated in the compensation report, including the related disclosures. The choice of the audit procedures is subject to the auditor's professional judgment. This includes assessing the risk of material misstatements, whether due to fraud or error, in the compensation report, including the related disclosures. In assessing these risks, the auditor considers the system of internal control, which is relevant to preparing the compensation report, including the related disclosures. Our objective is to plan and perform audit procedures that are appropriate in the circumstances, but not to express an audit opinion on the effectiveness of the Company's system of internal control. An audit also comprises an evaluation of the accounting policies used, of the reasonableness of accounting estimates made by the executive directors and the supervisory board as well as an evaluation of the overall presentation of the compensation report, including the related disclosures.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, on the basis of the knowledge obtained in the audit, the compensation report for the financial year from January 1 to December 31, 2024, including the related disclosures, complies, in all material respects, with the accounting principles of section 162 AktG.

Other Matter – Formal Audit of the Compensation Report

The audit of the content of the compensation report described in this report comprises the formal audit required under section 162 (3) AktG including the issuance of a report on this audit. Since our audit opinion on the audit of the content is unmodified, this audit opinion includes that the disclosures required under section 162 (1) and (2) AktG are contained, in all material respects, in the compensation report.

Intended Use of the Report

We issue this report as stipulated in the engagement letter agreed with the Company. The audit has been performed for the purposes of the Company and the report is solely intended to inform the Company about the result of the audit.

Liability

This report is not intended to be used by third parties as a basis for any (asset) decision. We are liable solely to MERCK Kommanditgesellschaft auf Aktien, Darmstadt, Germany, and our liability is also governed by the engagement letter dated November 4/8, 2024, agreed with the Company as well as the “General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms)” promulgated by the Institut der Wirtschaftsprüfer (IDW) in the version dated January 1, 2024 (IDW-AAB). However, we do not accept or assume liability to third parties.

Frankfurt am Main, Germany, February 18, 2025

Deloitte GmbH

Wirtschaftsprüfungsgesellschaft

Signed:

Christoph Schenk

Wirtschaftsprüfer

(German Public Auditor)

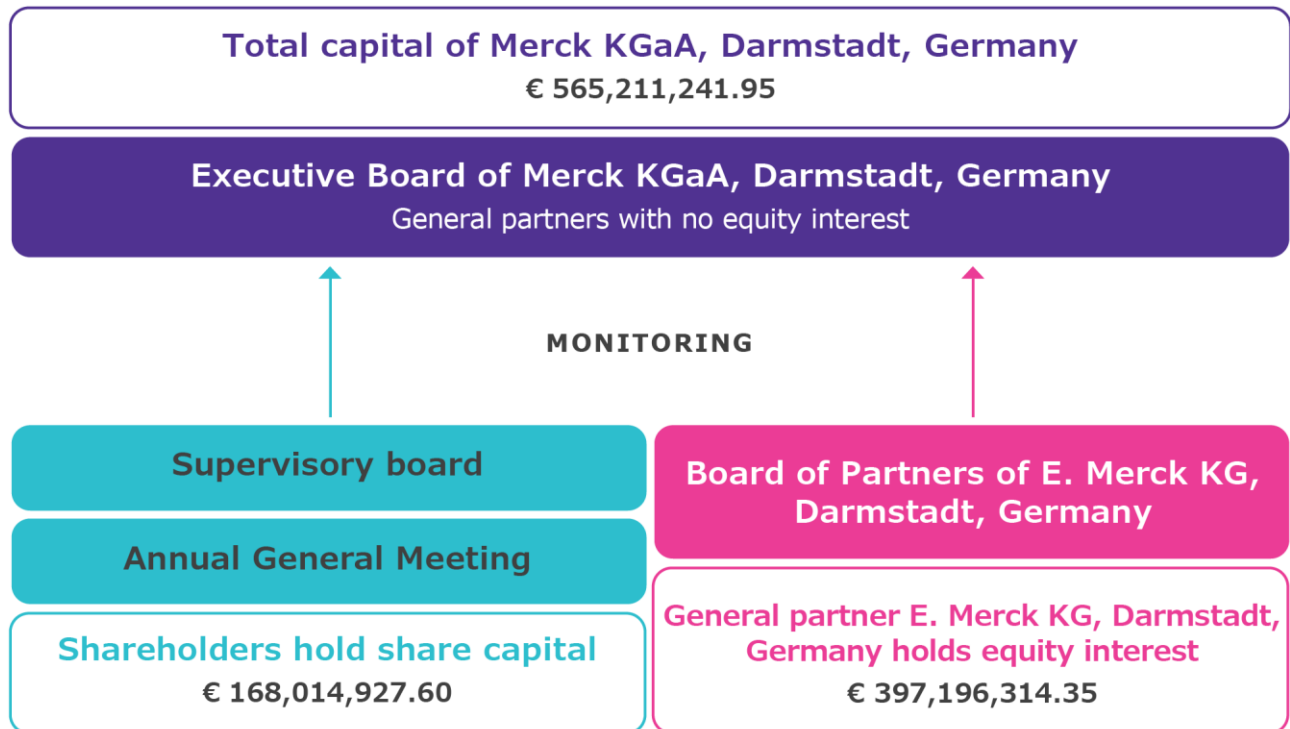
Signed:

Daniel Weise

Wirtschaftsprüfer

(German Public Auditor)

capital structure and corporate bodies



Further information can be found under "[Merck KGaA, Darmstadt, Germany](#)" in the "[Statement on Corporate Governance](#)".

statement on corporate Governance

The Statement on Corporate Governance contains the Declaration of Conformity, relevant information on practices within the company, and a description of the procedures of the corporate bodies, as well as targets for the percentage of positions held by women and the diversity policy.

Joint report of the Executive Board and the Supervisory Board including Declaration of Conformity

The German Corporate Governance Code is geared toward the conditions found in a German stock corporation ("Aktiengesellschaft" or "AG") and does not take into consideration the special characteristics of a corporation with general partners ("Kommanditgesellschaft auf Aktien" or "KGaA") such as Merck KGaA, Darmstadt, Germany. Given the structural differences between an AG and a KGaA, several recommendations of the German Corporate Governance Code are to be applied to a KGaA only in a modified form. Major differences between the two legal forms exist in terms of liability and management. In the case of an AG, only the AG is liable as a legal entity, whereas the general partners of a KGaA also have unlimited personal liability for the company's obligations (section 278 (1) of the German Stock Corporation Act (AktG)). At Merck KGaA, Darmstadt, Germany, this pertains to both E. Merck KG, Darmstadt, Germany – which is excluded from management and representation pursuant to Article 8 (5) of the Articles of Association – as well as to the managing general partners who collectively make up the Executive Board of Merck KGaA, Darmstadt, Germany. The members of the Executive Board of Merck KGaA, Darmstadt, Germany, are therefore subject to unlimited personal liability. Unlike an AG, their executive authority is not conferred by the Supervisory Board, but rather by their status as general partners. Consequently, in addition to other responsibilities typical of the supervisory board of an AG (see description of the [procedures of the Supervisory Board](#)), the supervisory board of a KGaA does not have the authority to appoint the management board, draw up management board contracts or specify the compensation of the management board. This legal form also involves special features with regard to the Annual General Meeting. For example, in a KGaA, many of the resolutions made require the consent of the general partners (section 285 (2) AktG), including in particular the adoption of the Annual Financial Statements (section 286 (1) AktG).

Merck KGaA, Darmstadt, Germany, applies the German Corporate Governance Code analogously where these regulations are compatible with the legal form of a KGaA. In order to enable shareholders to compare the situation at other companies more easily, we base corporate governance on the conduct recommendations made by the Government Commission of the German Corporate Governance Code to a broad extent and refrain from adopting our own, equally permissible code. All of the recommendations of the German Corporate Governance Code in the version dated April 28, 2022, the intent and meaning of which are applied, have been complied with since the last Declaration of Conformity was submitted in February 2024.

For a clearer understanding, the following gives a general explanation of the application of German company law at Merck KGaA, Darmstadt, Germany, with additional references to the Annual General Meeting and shareholder rights.

Merck KGaA, Darmstadt, Germany

The general partner E. Merck KG, Darmstadt, Germany, holds around 70% of the total capital of Merck KGaA, Darmstadt, Germany (equity interest); the shareholders hold the remainder, which is divided into shares (share capital). E. Merck KG, Darmstadt, Germany, is excluded from the management of business activities. The general partners with no equity interest (Executive Board) manage the business activities. Nevertheless, due to its substantial capital investment and unlimited personal liability, E. Merck KG, Darmstadt, Germany, has a strong interest in ensuring that the businesses of Merck KGaA, Darmstadt, Germany, operate efficiently and in compliance with procedures. The participation of Merck KGaA, Darmstadt, Germany, in the profit/loss of E. Merck KG, Darmstadt, Germany, in accordance with Articles 26 et seq. of the Articles of Association further harmonizes the interests of the shareholders and of E. Merck KG, Darmstadt, Germany. E. Merck KG, Darmstadt, Germany, appoints and dismisses the Executive Board. In addition, E. Merck KG, Darmstadt, Germany, has created bodies – complementing the expertise and activities of the Supervisory Board – to monitor and advise the Executive Board. This applies primarily to the Board of Partners of E. Merck KG, Darmstadt, Germany.

Based on the provisions of the AktG, the Articles of Association of Merck KGaA, Darmstadt, Germany, and the rules of procedure of the various corporate bodies, Merck KGaA, Darmstadt, Germany, has adopted a set of rules for the Executive Board and its supervision that meet the requirements of the German Corporate Governance Code. The investors, who bear the entrepreneurial risk, are protected as provided for by the German Corporate Governance Code. We take suggestions from the capital market on corporate governance seriously and hold discussions with investors and shareholder representatives.

The Annual General Meeting of Merck KGaA, Darmstadt, Germany

The 29th Annual General Meeting of Merck KGaA, Darmstadt, Germany, was held in Darmstadt, Germany, on April 26, 2024. In 2024, the Executive Board again decided, with the approval of the Supervisory Board, to hold the 2024 Annual General Meeting in virtual form, i.e., without the shareholders and their proxies attending in person. In doing so, it made use of the option provided by the legislation in relation to virtual annual general meetings in accordance with section 118a AktG. Shareholders and shareholder representatives participated in the Annual General Meeting virtually. The meeting was broadcast audiovisually on the Internet in full. At 71.78%, the proportion of share capital represented at the meeting (including postal votes) was slightly lower than in the previous year. In 2023, the proportion of share capital represented was 72.59%. The Annual General Meeting service provider does not forward voting instructions to the Group in advance of the Annual General Meeting but keeps them in the system until the votes are counted.

In particular, the Annual General Meeting passes resolutions concerning the approval of the Annual Financial Statements, the appropriation of net retained profit, the approval of the actions of the Executive Board members and the Supervisory Board members, the election of the auditor, amendments to the Articles of Association, the compensation system for the Executive Board, and the control and profit and loss transfer agreements of Merck KGaA, Darmstadt, Germany. The shareholders of Merck KGaA, Darmstadt, Germany, exercised their shareholder rights fully at the virtual Annual General Meeting using the internet-based General Meeting system and via video communication. In addition, the shareholders were again given the opportunity to submit statements on the agenda to the company prior to the 2024 Annual General Meeting. Shareholders were also able to exercise their right to speak at the Annual General Meeting, with their questions being answered in detail by the company. They were able to exercise their voting rights in person, through an authorized representative or a proxy appointed by the company, or by postal vote. The proxies appointed by the company were in attendance throughout the duration of the Annual General Meeting. All the documents and information concerning upcoming General Meetings (including a summary explanation of shareholder rights) are also posted on our website. The introductory speech by the Chair of the Executive Board was published in advance on the Internet on April 18, 2024, in order to make it available to interested shareholders and members of the public and thus satisfy the high transparency requirements of the Group.

Declaration of Conformity

In accordance with section 161 AktG, applying the provisions of the German Corporate Governance Code correspondingly, the Executive Board and the Supervisory Board issued the following Declaration of Conformity with the recommendations of the Government Commission of the German Corporate Governance Code:

“Declaration of the Executive Board and the Supervisory Board of Merck KGaA, Darmstadt, Germany, on the recommendations of the Government Commission of the German Corporate Governance Code pursuant to section 161 of the German Stock Corporation Act (AktG). Since the last Declaration of Conformity in February 2024, we have complied with all of the recommendations of the Government Commission of the German Corporate Governance Code in the version dated April 28, 2022, as published in the official section of the German Federal Gazette.

With regard to future compliance with the current recommendations of the Government Commission of the German Corporate Governance Code, the Executive Board and the Supervisory Board declare the following: The company will comply with the recommendations of the Code in the version dated April 28, 2022”.

Darmstadt, February 2025

For the Executive Board

Belén Garijo

For the Supervisory Board

Michael Kleinemeier

Information on corporate governance practices

Reporting

It is the objective of Merck KGaA, Darmstadt, Germany, to provide the latest information to all shareholders, media, financial analysts, and interested members of the public while creating the greatest possible transparency. For this reason, the Group uses a wide range of communication platforms to engage in a timely dialog with all interested parties about the company's situation and business changes. Our principles include providing factually correct, comprehensive and fair information.

Information subject to disclosure requirements, as well as information that is not, can be accessed worldwide on the Merck KGaA, Darmstadt, Germany, website (www.emdgroup.com), which is the company's most important publication platform. In addition to a comprehensive financial calendar, annual reports and quarterly statements and/or quarterly and half-year financial reports covering at least the past five years are available there in German and English. In line with the legal requirements, ad hoc announcements are also published on the website. These contain information on circumstances and facts that could impact the our share price.

Regular press conferences, investor meetings on the occasion of investor conferences and roadshows offer another platform for dialog. The company presentations prepared for this purpose are also available on the website of Merck KGaA, Darmstadt, Germany. In addition, the Investor Relations team is available to private and institutional investors who wish to receive further information. To ensure the greatest possible transparency, all documents concerning the Annual General Meeting are available on the company website. Additionally, at least some parts of the Annual General Meeting are generally webcast live on the Internet. The Annual General Meeting on April 26, 2024, was again held virtually and hence was webcast live on the Internet in full.

Dealing with insider information

Dealing properly with insider information is very important to us. Our Insider Committee examines the existence of insider information, ensures compliance with legal obligations and prepares any necessary measures. The members of the Insider Committee are appointed by the Executive Board; at least two members work in Group Legal & Compliance. The Insider Committee meets at regular intervals or when circumstances require. The Chief Financial Officer is vested with the authority to make the final decision on handling potential insider information.

In order to ensure a high level of protection for insider information, the Executive Board issued internal insider guidelines that are applicable throughout the Group worldwide. The guidelines inform employees about their responsibilities under insider trading laws and give clear instructions for compliant behavior. In addition, they describe the function of the Insider Committee in detail. Moreover, our Code of Conduct, which is binding for all employees, also contains an explicit, detailed reference to the ban on using insider information. All employees are instructed on the stipulations of insider trading within the scope of obligatory training courses on the Code of Conduct as well as specific training courses on insider law.

Accounting and audits of financial statements

Merck KGaA, Darmstadt, Germany, prepares its Consolidated Financial Statements and Combined Management Report in accordance with the International Financial Reporting Standards (IFRS) effective and adopted by the European Union at the end of the reporting period and the additional provisions of section 315e (1) of the German Commercial Code (HGB). The Consolidated Financial Statements and the Combined Management Report are prepared by the Executive Board and examined by an auditor, taking into account the German generally accepted standards for the audit of financial statements promulgated by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer, IDW).

The Supervisory Board commissioned Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich, to audit the Consolidated Financial Statements and the Combined Management Report for fiscal 2024. A corresponding proposal was approved by the Annual General meeting on April 26, 2024. Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich, is obliged to inform the Supervisory Board without delay of any grounds for disqualification or bias occurring during the audit if these cannot be immediately rectified. Additionally, the auditor shall immediately report to the Supervisory Board any findings and issues that emerge during the audit that have a direct bearing upon the tasks of the Supervisory Board. The auditor shall inform the Supervisory Board or note in the audit report any circumstances determined during the audit that would render inaccurate the Declaration of Conformity made by the Executive Board and the Supervisory Board. It has also been agreed with the auditor that, in order to assess whether the Executive Board has fulfilled its obligations in accordance with section 91 (2) AktG, the audit will also cover the company's early warning risk identification system. Moreover, the auditor is required to examine and evaluate the internal control system relevant to sustainability and accounting as part of its audit insofar as this is necessary and appropriate for assessing the accuracy of financial reporting.

Since 2023, Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich, has been the auditing firm responsible for the statutory audit of the Annual Financial Statements and Consolidated Financial Statements of Merck KGaA, Darmstadt, Germany. The auditor responsible for auditing the Consolidated Financial Statements changes regularly as required by law. Daniel Weise is currently leading the audit engagement. Mr. Weise has been the auditor in charge of the engagement since fiscal 2023. The combined sustainability statement is also audited by Deloitte GmbH Wirtschaftsprüfungsgesellschaft, München. Jan Joos has been the German Public Auditor responsible for the engagement since fiscal 2023. Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich, has assured the company that it is independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and that it has fulfilled its other German professional responsibilities in accordance with these requirements. The Supervisory Board has found no grounds to doubt the independence of Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich. Neither party has identified any conflicts of interest. The Audit Committee reviews the quality of the audit annually, including the performance of the auditor in charge of the engagement, on the basis of objective indicators.

Further reports

The Combined Management Report for Merck KGaA, Darmstadt, Germany, and the Group includes a (Group-) Sustainability Statement that complies with the reporting requirements of the Corporate Sustainability Reporting Directive (CSRD) and the German CSRD Implementation Act and that is also audited by Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich. It follows the requirements of the European Sustainability Reporting Standards (ESRS) for companies that are obliged to prepare non-financial reports in accordance with section 315b HGB. The (Group-) Sustainability Statement is included as a separate chapter of the Combined Management Report. An overview of the information it includes can be found in a separate index. In the chapter "[Other Information](#)", we also make disclosures referring to the GRI Standards 2021 and integrate the requirements of the Task Force on Climate-related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB Standards). In addition, the compensation report is included as a separate item of the disclosures on corporate governance. The compensation report for the last fiscal year and the auditor's report, including details of the compensation system currently in force, and the most recent compensation resolutions are available at <https://www.emdgroup.com/en/investors/corporate-governance/reports.html>.

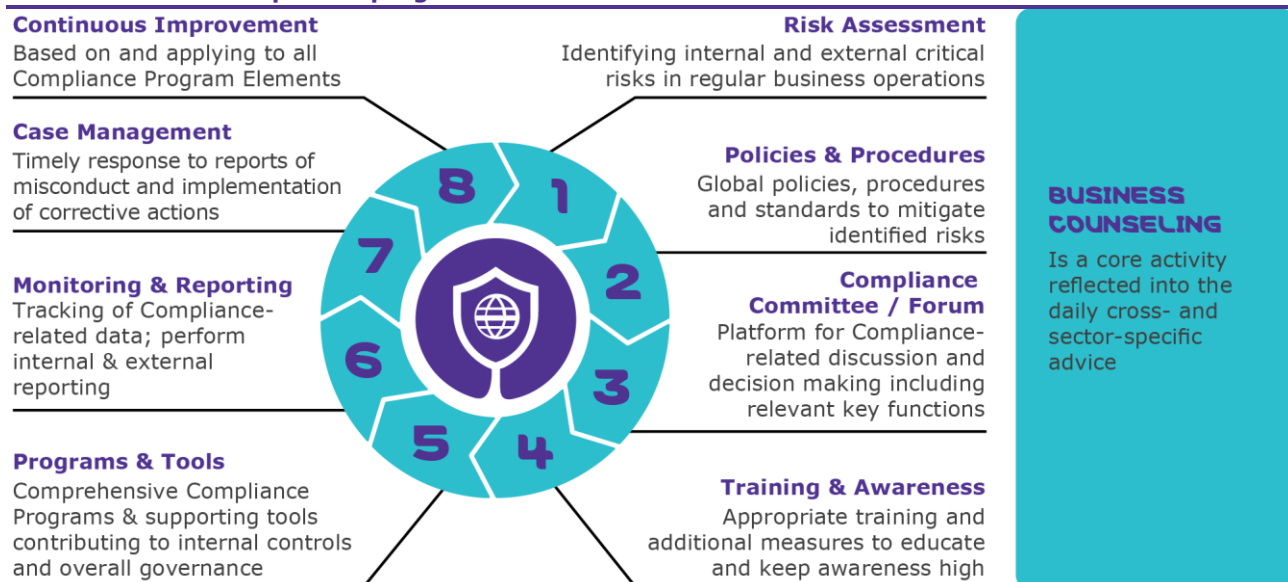
Values and compliance

Responsible entrepreneurship starts with compliance. We aim to ensure that all our activities adhere to relevant laws, regulations and ethical standards around the world. Compliance violations would result not only in possible legal action but also could seriously compromise our reputation as an employer and business partner.

Our Group Compliance function is responsible for the following core topics: our Code of Conduct, anti-corruption and anti-bribery (including healthcare compliance, business partner due diligence, transparency reporting), anti-money laundering and conflicts of interest. Group-wide and local policies, procedures and processes are in place for these important compliance topics in order to ensure that our business activities are consistent with the relevant laws, regulations and international ethical standards.

As a global company, we have set very strict requirements for effective compliance management. Our Compliance Management System comprises eight core elements and ongoing consultation with the business areas that make up our compliance program:

Elements of our compliance program



The Group Compliance Officer is responsible for establishing, maintaining and further developing of our global Compliance Management System. The Group Compliance Officer and its team, consisting of a global Compliance Center of Expertise and compliance officers, take appropriate measures to help lower the risk of serious compliance violations and ensure the implementation of the compliance program throughout the Group. Our Group Compliance Officer reports to the Executive Board and the Audit Committee twice a year, at a minimum, on the status of our compliance and data privacy activities, potential risks and key figures on compliance and data privacy violations.

The importance of compliance is reflected in the subsidiaries, which ensure via country representatives that compliance measures are implemented effectively. Regular global and regional compliance meetings are held to promote the exchange of information within the Compliance organization. This is supplemented by a global concept for global compliance committees and local compliance forums at which relevant compliance topics are discussed with senior management. These compliance forums and committees constitute an important element of risk assessment and quality assurance.

To ensure the effectiveness of our compliance program, we review it regularly and update our initiatives and programs as required to take account of new requirements and internal and external risks. We engage in a dialog on current compliance issues, trends and targets with the stakeholder groups within our Compliance organization and with external parties.

Values and Code of Conduct

Our corporate culture places our fundamental values – courage, achievement, responsibility, respect, integrity, and transparency – at the heart of our business activities. Our Code of Conduct plays a central role in implementing these values in our daily interactions. It guides our employees in conducting business ethically and responsibly – in compliance with our values and the law. The Code of Conduct applies to all employees of the Group, in every country and all levels of our organization, and is available in 22 languages.

With the Code of Conduct and the various unit-specific compliance rules, our values are integrated into our daily work and business practice. We also expect our business partners (including customers, suppliers, distributors, etc.) to comply with these principles or to have their own comparable principles. Our Business Partner Code of Conduct describes our expectations and requirements regarding human rights, health and safety, business integrity, environmental protection, continuous improvement, and continuous management at the respective suppliers. Our Human Rights Charter supplements the Business Partner Code of Conduct with globally recognized human rights principles.

Risk management

Adequate compliance risk management is also essential in order to identify potential compliance risks and requirements and protect our company for the long term. To this end, we have established a process for evaluating compliance risks in all of our business sectors. This risk-based evaluation uses a comprehensive risk matrix and focuses on bribery and corruption risks. We regularly implement and monitor key performance indicators that allow us to assess risks and the effectiveness of controls. A global framework for ethical and legally compliant business processes serves to minimize risk. This is supplemented by suitable policies and effective controls for reducing risk. The Compliance department monitors compliance of the Code of Conduct with support from corresponding monitoring and training programs throughout the Group. All employees are called upon to report possible compliance violations so that the Group can take the necessary and appropriate action. In cooperation with Group Internal Auditing, the Compliance Office regularly reviews the implementation of Group-wide compliance measures at the subsidiaries.

Antitrust and competition law

In addition, we perform regular antitrust risk assessments in a separate process. Our Group-wide Antitrust Standard stipulates that all business activities throughout the Group must always be conducted in accordance with applicable antitrust regulations and standards. We ensure that all employees receive regular training on this matter. We recognize the importance of fair competition and expect the parties acting on our behalf to do the same.

Supplier management

While supplier management ensures that suppliers act in compliance with regulations, third-party risk management encompasses relations with sales-related business partners such as commercial agents, distributors and wholesalers as well as suppliers we consider to be high risk. We expect our third parties worldwide to adhere to our compliance principles. We only enter into business relationships with third parties that pledge to act in accordance with the law, reject all forms of bribery and comply with environmental, health and safety guidelines. We apply a risk-based approach to selecting the third parties with which we do business. The higher the estimated risk in connection with a particular country, region or service, the more carefully we examine the third party before entering into a business relationship. Depending on the outcome, we may decide to reject the potential third party, impose conditions to mitigate identified risks or terminate an existing business relationship.

Anti-money laundering

We also have a global program for combating money laundering. This is supported by our Anti-Money Laundering Group Standard, which describes specific processes and assurance measures aimed at ensuring that warning signs and high-risk transactions are identified, reported and investigated. The implementation of these measures is supported by corresponding training.

Conflicts of interest

Our Conflict of Interest Policy defines conflicts of interest and the associated risks. It sets out clear guidelines for avoiding such situations and contains specific rules for identifying, disclosing, mitigating, and managing the risks that could arise.

Dealing with medical professionals and transparency reporting

We support healthcare systems by collaborating with expert groups, including professional medical associations, patient organizations and caregiver advocacy groups, university hospitals and other healthcare institutions.

Our Anti-Corruption Standard stipulates that all business activities must be conducted in line with applicable anti-corruption regulations and standards. All forms of bribery are strictly prohibited. We enforce strict limits on the value of gifts and invitations. These limits are stored in the company's internal tool we use to reimburse travel costs and expenses. Additionally, we have specific rules and procedures for dealing with healthcare professionals.

To ensure legally and ethically correct dealings with medical professions and compliance with transparency requirements, the compliance organization, together with the affected business units, has taken extensive measures to establish an internal regulatory framework as well as the corresponding processes for approving and documenting interactions with experts that ensure correct publication in line with the applicable data privacy regulations.

We publish the financial and non-financial contributions we make to healthcare experts, such as medical professionals and health organizations, in accordance with local laws and regulations. In addition to disclosing individual non-cash contributions, we publish information on our overall [Research and Development](#) expenditure as required.

Compliance training

Within the scope of the global compliance program, a high degree of importance is attached to regular compliance training, which is conducted both as e-learning and classroom courses. The aim of this training, in particular, is to sensitize employees and management to the Code of Conduct, corruption and bribery, conflicts of interest, money laundering, antitrust and competition law, and healthcare compliance, as well as the consequences of compliance violations, and to show them ways of avoiding them. By providing employees with targeted training and information about the applicable compliance rules and ethical standards and giving them the responsibility for complying with these requirements, we strengthen their sense of responsibility and accountability. Further information can be found in the "Compliance awareness and training" chapter.

Compliance hotline

As described in various compliance training courses and the Code of Conduct, whistleblowers may choose from various reporting channels. The choice of reporting channel may depend on the reason for the report and the whistleblower's preferences in the respective circumstances.

Our Whistleblowing and Investigations Standard reinforces our commitment to maintaining and strengthening a corporate culture in which employees are encouraged and empowered to report potential incidents and compliance violations. The standard provides guidance on the available reporting channels and our procedures for investigating reports of misconduct while ensuring confidentiality and protecting whistleblowers.

Reports to the central reporting channels, including the Compliance hotline, are received directly by an independent and qualified team at Group Compliance and are examined. The report may be forwarded to a different responsible function for further processing depending on the nature and content of the report. Employees and individuals from outside the company can report potential compliance violations to the Compliance hotline by telephone or via a web-based application in their respective language. The Compliance hotline is available 24 hours a day, free of charge. The system enables two-way communication, including anonymous communication. If there are indications of a potential compliance violation, corresponding corrective measures are taken based on concrete action plans. If necessary, disciplinary measures are taken. These can range from a simple warning up to the dismissal of the employee who violated a compliance rule. The Group has set up a Compliance Case Committee to guide these processes. The Compliance Case Committee consists of senior representatives of various Group governance functions; they are involved in reviewing certain compliance violations and initiating appropriate and necessary measures.

In 2024, 89 compliance-relevant cases were reported via the Compliance hotline and other channels. In 30 closed cases, it was confirmed that the principles of the Code of Conduct or other internal or external guidelines had been violated.

Internal Auditing

Compliance is ensured by the Group Compliance and Group Internal Auditing functions as the second and third lines of defense, respectively. As part of its audits, Group Internal Auditing regularly reviews functions, processes and legal entities worldwide. This includes an assessment of the effectiveness of the respective compliance guidelines, processes and structures. The units also check for violations of our Code of Conduct, Anti-Corruption Standard, Anti-Money Laundering Group Standard and Antitrust Standard. Our audit planning aims to provide comprehensive risk assurance through the best possible audit coverage of our processes, countries and projects. If an internal audit gives rise to recommendations for corrective actions, Group Internal Auditing performs a systematic follow-up and monitors the implementation of the recommendations. In 2024, Group Internal Auditing conducted 43 internal audits. This included 30 operational risk audits and 13 IT risk audits. A total of 30 internal audits involved bribery and corruption-related risks.

Certification

Since November 2022, we have had our compliance management system externally audited and certified in accordance with the principles of proper auditing of compliance management systems (IDW PS 980). The focus is on anti-bribery, anti-corruption and anti-money laundering with the aim of identifying areas with potential need for improvement and assessing whether the measures we have taken ensure that regulations, policies and procedures are adhered to. The effectiveness assessment will be conducted on a region-by-region basis until 2025.

Stakeholder engagement

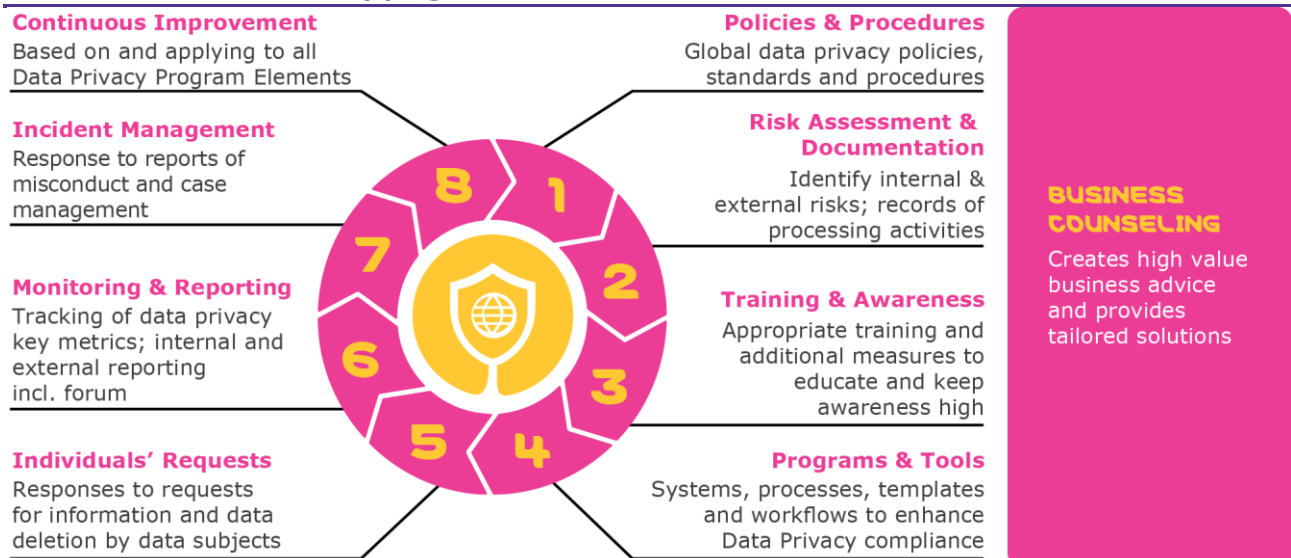
We take care to ensure that our activities comply with the codes of conduct of the associations of which we are a member. We are members of various organizations, including the German Chemical Industry Association (VCI), the German Institute for Compliance (DICO), the European Federation of Pharmaceutical Industries and Associations (EFPIA), Pharmaceutical Research and Manufacturers of America (PhRMA), the German Association of Voluntary Self-Regulation for the Pharmaceutical Industry (FSA), the International Federation of Pharmaceutical Manufacturers and Associations (IFPMA), Alliance for Integrity, the German Association for Supply Chain Management, Procurement and Logistics (BME), the capital market association Deutsches Aktieninstitut (DAI), and the International Association of Privacy Professionals (IAPP).

Data privacy

Our Group Data Privacy is integrated into the Group's Compliance organization. As required by law, this department operates independently and without being required to follow instructions. The department regularly prepares data privacy updates and a comprehensive data privacy report as part of our broader compliance reporting efforts. The Group Data Privacy Officer has a team of dedicated local data privacy officers working in countries that are particularly sensitive to data protection in our company. Other individuals around the world also perform a local data privacy function alongside their core activity for the Group. The tasks of these two groups of local data privacy officers include implementing and applying the global data privacy policy in the countries, performing regular efficiency tests and promoting awareness of data privacy. They also advise the company on relevant and critical matters relating to data privacy. A Center of Expertise also provides support in the form of structures and tools.

Our data privacy management system encompasses various elements of our portfolio alongside the pillars of people and communication. The portfolio is composed as follows:

Elements of our Data Privacy program



The data privacy organization has put specific guidelines in place in order to ensure that data privacy processes comply with the relevant regulations. The Group Data Privacy Policy defines the standards according to which data is processed, stored, used, and transmitted within the Group. This enables us to provide a high level of protection when it comes to processing the data of our employees, contract partners, customers, suppliers, patients, healthcare practitioners, and participants in clinical trials. The statutory documentation requirements are realized in a central IT tool that also serves as the basis for other key data privacy processes: documenting processing activities, performing a general risk audit and – if required by law – a specific data privacy impact assessment, reporting and evaluating potential data privacy violations, and processing requests from data subjects. Our understanding of data privacy throughout the Group is based on European legislation in particular, including the data privacy principles of the EU's General Data Protection Regulation (EU GDPR), which has been in force since May 2018. However, we also comply with and implement local data protection regulations in the individual countries.

Corresponding training and awareness measures are a core element of any data privacy management system. The effective communication of relevant standards, procedures and other guidelines in the form of regular training is important, as are regular awareness measures in order to establish an appropriate culture of data privacy within our company. Our data privacy services comprise general awareness measures, such as e-learning on data privacy that is mandatory for all Group employees, and broad-based communication using various channels, including e-mail and the company intranet, as well as targeted training, e.g., interactive training for certain subsets of employees and standardized training sets focusing on specific topics and tailored to corresponding groups of companies.

Management of opportunities and risks

For detailed information, including a description of the main characteristics of the entire internal control system and risk management system and the statement on the appropriateness and effectiveness of these systems, please refer to the “[Internal control system](#)” section of the “[Report on Risks and Opportunities](#)” in the Management Report.

Avoidance of conflicts of interest

Within the framework of their work, all Executive Board and Supervisory Board members of Merck KGaA, Darmstadt, Germany, are exclusively committed to the interests of the company and neither pursue personal interests nor grant unjustified advantages to third parties.

Before an Executive Board member takes on honorary offices, board positions or other sideline activities, this must be approved by the Personnel Committee of the Board of Partners of E. Merck KG, Darmstadt, Germany. The Chair of the Executive Board, Bélen Garijo, and the Chief Financial Officer, Helene von Roeder, are both members of the Executive Board of E. Merck KG, Darmstadt, Germany. This does not, however, create conflicts of interest.

In its report to the Annual General Meeting, the Supervisory Board discloses any conflicts of interest involving its members and how they were dealt with. Consultancy agreements, as well as other service and work contracts of a Supervisory Board member with the Group, require the approval of the Supervisory Board. In fiscal 2024, there were neither conflicts of interest nor consultancy agreements or other service or work contracts with Merck KGaA, Darmstadt, Germany, or another Group company involving Supervisory Board members.

Adherence to environmental and safety standards

Our thinking and actions with regard to environmental protection and safety are based on the principle of sustainability and the guidelines for responsible action as set out by the International Council of Chemical Associations (ICCA) in its Responsible Care Global Charter, which emphasizes overall responsibility for products, supply chains and society. We have signed on to this charter and declared its principles to be binding throughout the Group in our Environment, Health and Safety (EHS) Policy.

We also adopt environmental safety and protection targets with the aim of permanently improving our environmental protection and safety:

- We have set ourselves the goal of climate-neutral business operations along our entire value chain by 2040. By 2030, we aim to reduce our direct (Scope 1) and indirect (Scope 2) emissions by 50% compared with 2020. Our goal is to achieve this primarily by reducing process-related emissions and implementing energy efficiency measures. In terms of our Scope 3 emissions, we want to reduce emissions throughout the entire value chain by 52% (per euro value added) by 2030. These short-term targets for 2030 were approved by the Science-Based Targets Initiative (SBTi) in May 2022. The independent initiative assesses and approves companies' targets based on its strict climate science criteria. This confirms that we are helping to limit global warming to 1.5 °C, thus meeting the requirements of the Paris Agreement.
- In addition, we are aiming to source 80% of our purchased electricity from renewable energies by 2030.
- We also intend to reduce the environmental impact of our waste, reduce water intensity and improve the quality of our wastewater by 2030. Having achieved our short-term targets for waste and water consumption to 2025 ahead of schedule in 2023, we have adopted new ambitions for the period to 2030. By the end of the decade, we want to achieve a circularity rate of 70% in our waste flows and improve our water intensity (per euro value added) by 50%.
- To improve occupational safety, we aim to lower the lost time injury rate (LTIR) to below 1 by 2025.

We have also rolled out BeHealthy, a global program aimed at maintaining and promoting employee health. The objective of the program is to strengthen the physical, mental, social, and workplace-related health of all employees for the long term. The focal points of the content are healthy leadership, mindfulness and delivering a diverse healthcare offering that is accessible globally.

Based on our Environment, Health and Safety (EHS) Policy, a number of guidelines specify how the sites and employees of the Group are to observe the principles in their daily work. The Group function Corporate Sustainability, Quality and Trade Compliance steers these global activities and ensures compliance with statutory requirements, internal standards and business needs throughout the entire Group. In this way, Group-wide risks are minimized, and continuous improvement is promoted in the areas of environment, health, safety, security, and quality.

We report on our ecological, environmental and social performance transparently in accordance with the internationally recognized principles of the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Procedures of the Executive Board, Supervisory Board, Board of Partners and its Committees

Members of the Executive Board of Merck KGaA, Darmstadt, Germany

Information on memberships of statutory supervisory boards and comparable German and foreign supervisory bodies (section 285 no. 10 HGB in conjunction with section 125 (1) sentence 5 AktG).

Member	Memberships as of 31 December 2024 of (a) statutory supervisory boards and (b) comparable German and foreign supervisory bodies of corporations
Belén Garijo Frankfurt am Main, Chair	(b) • Banco Bilbao Vizcaya Argentaria S. A., Bilbao, Spain (listed)
Kai Beckmann Darmstadt, CEO Electronics	(a) • Bundesdruckerei GmbH, Berlin, Germany (not listed) • Bundesdruckerei Gruppe GmbH, Berlin, Germany (not listed)
Peter Guenter Berlin, CEO Healthcare	(b) • Galapagos N.V., Mechelen, Belgium (listed) • Zentiva Group a.s., Prague, Czech Republic (not listed)
Matthias Heinzel Weinheim, CEO Life Science	No mandates
Helene von Roeder Frankfurt am Main, Chief Financial Officer	No mandates

The general partners with no equity interest (Executive Board) manage the business activities in accordance with the laws, the Articles of Association of Merck KGaA, Darmstadt, Germany, and their rules of procedure. They are appointed by Merck KGaA, Darmstadt, Germany, with the approval of a simple majority of the other general partners. The members of the Executive Board are jointly responsible for the entire management of the company. Certain tasks are assigned to individual Executive Board members based on a responsibility distribution plan. Each Executive Board member promptly informs the other members of any important actions or operations in his or her respective business area. Among other things, the Executive Board is responsible for preparing the annual financial statements of Merck KGaA, Darmstadt, Germany, and of the Group as well as for approving the quarterly and half-year financial statements of the Group. In addition, the Executive Board ensures that all legal provisions, official regulations and the company's internal policies are observed, and works to achieve compliance with them by all the companies of the Group. A Group-wide guideline defines in detail which transactions require prior approval by the Executive Board.

The Executive Board provides the Supervisory Board and its Audit Committee with regular, up-to-date and comprehensive reports about all company-relevant issues concerning strategy, planning, business development, the risk situation, risk management and compliance. The rules of procedure of the Executive Board and of the Supervisory Board regulate the further details and ensure that the Supervisory Board is kept adequately informed by the Executive Board.

The Executive Board informs the Board of Partners of E. Merck KG, Darmstadt, Germany and the Supervisory Board at least quarterly of the progress of business and the situation of the company. In addition, the Executive Board informs the aforementioned boards at least annually of the company's annual plans and strategic considerations.

The Executive Board passes its resolutions in meetings that are normally held once a month.

Supervisory Board

The Supervisory Board has 16 members. In fiscal 2024, the Supervisory Board was composed as follows until the end of the Annual General Meeting on April 26, 2024:

Member	Memberships as of 26 April 2024 of (a) other statutory supervisory boards and (b) comparable German and foreign supervisory bodies of corporations	Member of the Supervisory Board since	Attendance of meeting of the Supervisory Board
Wolfgang Büchele (Chair of the Supervisory Board) until 12 February 2024 Römerberg, Chair of Exyte GmbH, Stuttgart (Independent Shareholder Representative)	(a) • Merck Life Science KGaA, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany ¹ (not listed) • Merck Electronics KGaA, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany ¹ (Chair) (not listed) • Gelita AG, Eberbach, Germany (Chair) (not listed) (b) • E. Merck KG, Darmstadt, Germany ¹ (not listed) • KNDS NV, Amsterdam, Netherlands (not listed) • Wegmann Unternehmens-Holding GmbH & Co. KG, Fürstfeldbruck, Germany (Chair) (not listed)	Jul. 1, 2009 until Feb. 12, 2024	1/1
Sascha Held (Vice Chair of the Supervisory Board) Riedstadt, Application Consultant (full-time member and Chair of the Joint Works Council of Merck KGaA, Darmstadt, Germany)	No board positions	Apr. 26, 2019	2/2
Birgit Biermann Bochum, Vice Chair of the German Mining, Chemical and Energy Industrial Union (IG BCE), Hannover	(a) • Adidas AG, Herzogenaurach, Germany (listed)	Jul. 14, 2022	2/2
Gabriele Eismann Seeheim-Jugenheim, full-time member of the Works Council	No board positions	May 09, 2014	2/2
Jürgen Glaser Bingen, former Regional Director of the German Mining, Chemical and Energy Industrial Union (IG BCE), Darmstadt	(b) • The BKK of Merck KGaA, Darmstadt, Germany (not listed) (a) • SIRONA Dental Systems GmbH, Wals, Austria (not listed)	Apr. 26, 2019	2/2
Michael Kleinemeier (Chair of Supervisory Board) as of 13 February 2024 Heidelberg, Managing Director of e-mobiligence GmbH, Heidelberg (Independent Shareholder Representative)	(a) • Merck Life Science KGaA, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany ¹ (Chair) (not listed) (b) • E. Merck KG, Darmstadt, Germany ¹ (not listed) • SRH Holding (SdbR), Heidelberg (not listed)	Apr. 26, 2019	2/2
Renate Koehler Darmstadt, Pharmacist and until January 02, 2024, Manager of Engel-Apotheke pharmacy, Darmstadt (Independent Shareholder Representative)	No board positions	Apr. 26, 2019	2/2
Barbara Lambert Givrins (Switzerland), Supervisory and Administrative Board Member (Independent Shareholder Representative)	(a) • Deutsche Börse AG, Eschborn, Germany (listed) (b) • Implen AG, Opfikon, Switzerland (listed) • UBS Switzerland AG, Zurich, Switzerland (not listed)	Aug. 11, 2023	2/2
Anne Lange Riedstadt, Application Engineer (full-time member and Vice-Chair of the Joint Works Council of Merck KGaA, Darmstadt, Germany)	No board positions	Apr. 26, 2019	2/2

¹ Internal board position.

² Members delegated according to Article 6 (5) of the Articles of Association of Merck KGaA, Darmstadt, Germany.

Member	Memberships as of 26 April 2024 of (a) other statutory supervisory boards and (b) comparable German and foreign supervisory bodies of corporations	Member of the Supervisory Board since	Attendance of meeting of the Supervisory Board
Peter Emanuel Merck² Hamburg, Managing Partner of Golf-Lounge GmbH, Hamburg (Independent Shareholder Representative)	No board positions	Apr. 26, 2019	2/2
Dietmar Oeter Seeheim-Jugenheim, Vice President Corporate Quality Assurance	No board positions	May 09, 2014	2/2
Alexander Putz Michelstadt, Chemical Laboratory Assistant (full- time member of the Joint Works Council of Merck KGaA, Darmstadt, Germany)	(a) • Merck Electronics KGaA, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany ¹ (not listed)	May 28, 2020	2/2
Christian Raabe Höchst, IT Business Partner Darmstadt Site	No board positions	Apr. 26, 2019	2/2
Helga Rübsamen-Schaeff Düsseldorf, Member of the Supervisory Board of AiCuris Anti-Infective Cures AG, Wuppertal (Independent Shareholder Representative)	(a) • Merck Healthcare KGaA, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany ¹ (Chair) (not listed) • Merck Life Science KGaA, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany ¹ (not listed) • AiCuris Anti-Infective Cures AG, Wuppertal, Germany (not listed) • 4SC AG, Martinsried, Germany (listed) (b) • E. Merck KG, Darmstadt, Germany ¹ (not listed)	May 09, 2014	1/2
Daniel Thelen Cologne, Program Manager Infrastructure at DB InfraGO AG, Frankfurt am Main (Independent Shareholder Representative)	(b) • E. Merck KG, Darmstadt, Germany ¹ (not listed)	Apr. 26, 2019	2/2
Simon Thelen² Cologne, Member of the Executive Board of E. Merck KG, Darmstadt, Germany, adjunct Medical professor and Physician (Independent Shareholder Representative)	(a) • Merck Healthcare KGaA, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany ¹ (not listed) • Merck Life Science KGaA, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany ¹ (not listed) • Merck Electronics KGaA, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany ¹ (not listed) (b) • E. Merck KG, Darmstadt, Germany ¹ (not listed)	Apr. 26, 2019	2/2

¹ Internal board position.² Members delegated according to Article 6 (5) of the Articles of Association of Merck KGaA, Darmstadt, Germany.

Since the end of the Annual General Meeting on April 26, 2024, the Supervisory Board has been composed as follows:

Member	Memberships as of 31 December 2024 of (a) other statutory supervisory boards and (b) comparable German and foreign supervisory bodies of corporations	Member of the Supervisory Board since	Attendance of meeting of the Supervisory Board
Michael Kleinemeier (Chair of the Supervisory Board) Heidelberg, Managing Director of e-mobiligence GmbH, Heidelberg (Independent Shareholder Representative)	(a) • Merck Life Science KGaA, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany ¹ (Chair) (not listed) • Merck Electronics KGaA, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany ¹ (not listed) (b) • E. Merck KG, Darmstadt, Germany ¹ (not listed) • SRH Holding (SdbR), Heidelberg (not listed)	Apr. 26, 2019	6/6
Sascha Held (Vice Chair of the Supervisory Board) Riedstadt, Application Consultant (full-time member and Chair of the Joint Works Council of Merck KGaA, Darmstadt, Germany)	No board positions	Apr. 26, 2019	6/6
Birgit Biermann Bochum, Member of the Central Board of Executive Directors of the German Mining, Chemical and Energy Industrial Union (IG BCE), Hanover	(a) • Adidas AG, Herzogenaurach, Germany (listed) (b) • DGB Rechtsschutz GmbH, Düsseldorf (not listed)	Jul. 14, 2022	6/6
Katja Garcia Vila Hanover, Business School Graduate (Independent Shareholder Representative)	No board positions	Apr. 26, 2024	6/6
Carla Kriwet Munich, Supervisory Board Member and Senior Advisor (Independent Shareholder Representative)	No board positions	Apr. 26, 2024	6/6
Barbara Lambert Givrins (Switzerland), Supervisory and Administrative Board Member (Independent Shareholder Representative)	(a) • Deutsche Börse AG, Eschborn, Germany (not listed) (b) • Implen AG, Opfikon, Switzerland (not listed) • UBS Switzerland AG, Switzerland (not listed)	Aug. 11, 2023	5/6
Anne Lange Riedstadt, Application Engineer (full-time member and Vice-Chair of the Joint Works Council of Merck KGaA, Darmstadt, Germany)	No board positions	Apr. 26, 2019	6/6
Dietmar Oeter Seeheim-Jugenheim, Vice President Corporate Quality Assurance	No board positions	May 09, 2014	6/6
Stefan Palzer Lausanne (Switzerland), Executive Vice President and Chief Technology Officer at Nestlé S.A., Switzerland: Head of Innovation, Technology and R&D (Independent Shareholder Representative)	No board positions	Apr. 26, 2024	6/6
Alexander Putz Michelstadt, Chemical Laboratory Assistant (full-time member of the Joint Works Council of Merck KGaA, Darmstadt, Germany)	(a) • Merck Electronics KGaA, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany ¹ (not listed)	May 28, 2020	4/6
Christian Raabe Höchst, IT Business Partner Darmstadt Site	No board positions	Apr. 26, 2019	6/6
Michael Reinhart Kleinstheim, District Manager of the German Mining, Chemical and Energy Industrial Union (IG BCE) Darmstadt	(a) • Merck Healthcare KGaA, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany (not listed)	Apr. 26, 2024	5/6

¹ Internal board position.

² Members delegated according to Article 6 (5) of the Articles of Association of Merck KGaA, Darmstadt, Germany.

Member	Memberships as of 31 December 2024 of (a) other statutory supervisory boards and (b) comparable German and foreign supervisory bodies of corporations	Member of the Supervisory Board since	Attendance of meeting of the Supervisory Board
Susanne Schaffert Neumarkt, Board Director and Independent Consultant (Independent Shareholder Representative)	(a) • Merck Healthcare KGaA, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany (Chair) (not listed) • Merck Life Science KGaA, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany (not listed) (b) • E. Merck KG, Darmstadt, Germany ¹ (not listed) • ARTBio Inc., USA (not listed) • Galapagos AG, Belgium (not listed) • Incyte Corporation, USA (not listed) • Novo Holding, Denmark (not listed) • Vetter Holding GmbH & Co. KG, Germany (not listed)	Apr. 26, 2024	6/6
Sandra Schwebke Griesheim, Biologist (Full-time member of the Joint Works Council of Merck KGaA, Darmstadt, Germany)	No board positions	Apr. 26, 2024	5/6
Daniel Thelen² Cologne, Head of commercial project management general reconstruction west at DB InfraGO AG, Frankfurt am Main (Independent Shareholder Representative)	(b) • E. Merck KG, Darmstadt, Germany ¹ (not listed)	Apr. 26, 2019	5/6
Simon Thelen² Cologne, Member of the Executive Board of E. Merck KG, Darmstadt, Germany, adjunct Medical professor and Physician (Independent Shareholder Representative)	(a) • Merck Healthcare KGaA, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany ¹ (not listed) • Merck Life Science KGaA, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany ¹ (not listed) • Merck Electronics KGaA, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany ¹ (not listed) (b) • E. Merck KG, Darmstadt, Germany ¹ (not listed)	Apr. 26, 2019	6/6

¹ Internal board position.² Members delegated according to Article 6 (5) of the Articles of Association of Merck KGaA, Darmstadt, Germany.

The Supervisory Board performs a monitoring function. It supervises the Executive Board's management of the company. In comparison with the supervisory board of a German stock corporation, the role of the supervisory board of a corporation with general partners (KGaA) is limited. This is due to the fact that the members of the Executive Board are personally liable partners and therefore are responsible for the management of the company. In particular, the Supervisory Board is not responsible for appointing and dismissing general partners or for regulating the terms and conditions of their contracts. This is the responsibility of E. Merck KG, Darmstadt, Germany. Similarly, the Supervisory Board does not have the authority to issue rules of procedure for the Executive Board or a catalog of business transactions requiring approval. This is also the responsibility of E. Merck KG, Darmstadt, Germany (Article 13 (3) sentence 1 and (4) sentence 1 of the Articles of Association of Merck KGaA, Darmstadt, Germany).

However, the fact that the Supervisory Board has no possibility of directly influencing the Executive Board restricts neither its information rights nor its audit duties. The Supervisory Board must monitor the legality, regularity, usefulness, and economic efficiency of the Executive Board. In particular, the Supervisory Board has the duty to examine the reports provided by the Executive Board. This includes regular reports on the intended business policy, as well as other fundamental issues pertaining to corporate planning, especially financial, investment and HR planning, the profitability of the Group, and the course of business. In particular, this also includes IT security and sustainability issues, which fall within the responsibility of the Audit Committee. The regular reports pertaining to Group Internal Auditing, risk management, the internal control system and compliance are received by the Audit Committee of the Supervisory Board. In addition, by means of consultation with the Executive Board, it creates the basis for supervision of the management of the company by the Supervisory Board in accordance with section 111 (1) AktG. The Supervisory Board and the Audit Committee examine the Annual Financial Statements as well as the Consolidated Financial Statements and the Combined Management Report including the (Group-) Sustainability Statement, taking into account the auditor's reports in each case. Moreover, the Audit Committee discusses the quarterly statements and the half-year financial report, taking into account in the latter case the report of the auditor on the audit review of the abridged financial statements and the interim management report of the Group, and reports to the Supervisory Board. The adoption of the Annual Financial Statements is not the responsibility of the Supervisory Board but of the Annual General Meeting. The Supervisory Board and the Audit Committee normally meet four times per year. Further meetings may be convened if requested by a member of either the Supervisory Board or the Executive Board. As a rule, resolutions of the Supervisory Board are passed at meetings. At the instruction of the chairperson, a resolution may be passed by other means in exceptional cases, details of which can be found in the rules of procedure of the Supervisory Board.

The members of the Board of Partners of E. Merck KG, Darmstadt, Germany, and of the Supervisory Board may be convened to a joint meeting if so agreed by the chairpersons of the two boards.

The Supervisory Board has adopted rules of procedure for its activities that are available on the company's website at <https://www.emdgroup.com/company/who-we-are/management-and-company-structure/supervisory-board/US/Rules-of-Procedure-Supervisory-Board-US.pdf>.

The rules of procedure prescribe that the Supervisory Board may form committees. The Supervisory Board has formed a Nomination Committee and an Audit Committee.

Nomination Committee

The Nomination Committee comprises three shareholder representatives. As of December 31, 2024, its members are Michael Kleinemeier (Chair), Susanne Schaffert and Simon Thelen. The Nomination Committee is responsible for proposing to the Supervisory Board suitable candidates for its proposal to the Annual General Meeting. In addition to the legal requirements and the recommendations of the German Corporate Governance Code on topics such as independence and overboarding, the objectives of the Supervisory Board with respect to its composition, the qualification matrix and the diversity policy must be taken into consideration.

Audit Committee

The Audit Committee comprises three shareholder representatives and three employee representatives. As of December 31, 2024, its members are Barbara Lambert (Chair), Katja Garcia Vila, Sascha Held, Michael Kleinemeier, Christian Raabe, and Michael Reinhart.

The AktG and the German Corporate Governance Code in the versions currently applicable to the company state that at least one member of the Audit Committee shall have professional expertise in accounting and at least one additional member of the Audit Committee shall have professional expertise in auditing. Accounting and auditing also include sustainability reporting and its audit and assurance. The Chair of the Audit Committee should have professional expertise in at least one of the two areas. As a financial expert, Barbara Lambert has particular knowledge and experience in the application of accounting principles and internal control and risk management systems. She is also familiar with auditing and, in this context, with sustainability reporting. Barbara Lambert's aforementioned knowledge is based, among other things, on her education and many years of professional experience as an auditor and as a member of the Board of Directors of Banque Pictet & Cie SA until 2022. She is also a member of the Supervisory Board and Chair of the Audit Committee of Deutsche Börse AG and a member of the Board of Directors of UBS Switzerland AG. In these roles, she regularly participates in the training offered by the respective companies. Barbara Lambert thus qualifies as a financial expert within the meaning of section 100 (5) AktG and Recommendation D.3 of the German Corporate Governance Code. Furthermore, Katja Garcia Vila qualifies as a financial expert within the meaning of section 100 (5) AktG and recommendation D.3 of the German Corporate Governance Code. In particular, due to her degree in business studies from a university of applied sciences and her many years of experience in management positions in the financial sector, including as CFO of Continental AG from 2021 to 2024, she has particular knowledge and experience in the application of reporting principles (including sustainability reporting) and internal control and risk management systems. Finally, Michael Kleinemeier also has expertise in the area of accounting. In addition to his degree in business administration, his expertise results from his role as Managing Director of e-mobiligence GmbH as well as his many years of experience in management positions at SAP SE and other companies and his membership of other supervisory bodies. Michael Kleinemeier thus also qualifies as a financial expert within the meaning of section 100 (5) AktG and Recommendation D.3 of the German Corporate Governance Code.

Defining the required knowledge in more detail, a further provision of the AktG states that the members of the Supervisory Board must be collectively familiar with the sector in which their company operates. This requirement is addressed in the Supervisory Board's qualification matrix, which stipulates that the Supervisory Board should have at least four members who possess such knowledge of the sector. We currently meet this requirement (see also "[Objectives of the Supervisory Board with respect to Its Composition, Profile of Skills and Expertise, and Qualification Matrix](#)"). Information on the independence of the shareholder representatives can be found under "[Objectives of the Supervisory Board with respect to its Composition, Profile of Skills and Expertise, and Qualification Matrix](#)".

In fiscal 2024, the Supervisory Board and the Audit Committee carried out the regular self-assessments that take place every two years. These took the form of internal efficiency reviews based on an extensive questionnaire and resulted in a positive opinion on all topics. The topics covered by the questionnaire included the organization and meetings of the bodies and their composition, cooperation within the bodies and with the Executive Board, dialog with the other bodies, corporate governance, accounting, and risk management. Potential improvements to further optimize the work of the bodies in individual areas were identified and discussed based on the feedback provided, and corresponding measures were initiated.

Board of Partners of E. Merck KG, Darmstadt, Germany

Some of the responsibilities that lie with the supervisory board of a German stock corporation are fulfilled at the company by E. Merck KG, Darmstadt, Germany. This applies primarily to the Board of Partners of E. Merck KG, Darmstadt, Germany. Accordingly, the Board of Partners, as well as the composition and procedures of its committees, are described below.

The Board of Partners has nine members. In fiscal 2024, the Board of Partners was composed as follows until January 28, 2024:

Member	Memberships as of 28 January 2024 of (a) statutory supervisory boards and (b) comparable German and foreign supervisory bodies of corporations
Johannes Baillou (Chair of the Board of Partners) Vienna, Austria, Vice Chair of the Executive Board and General Partner of E. Merck KG, Darmstadt, Germany	(a) • Merck Life Science KGaA, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany (not listed) • Merck Electronics KGaA, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany (not listed)
Simon Thelen (Vice Chair of the Board of Partners) Cologne, Member of the Executive Board of E. Merck KG, Darmstadt, Germany, adjunct Medical Professor and Physician	(a) • Merck KGaA, Darmstadt, Germany (listed) • Merck Healthcare KGaA, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany (not listed) • Merck Life Science KGaA, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany (not listed) • Merck Electronics KGaA, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany (not listed)
Wolfgang Büchele (external member) Römerberg, Chair of Exyte GmbH, Stuttgart	(a) • Merck KGaA, Darmstadt, Germany (listed) • Merck Life Science KGaA, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany (not listed) • Merck Electronics KGaA, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany (Chair) (not listed) • Gelita AG, Eberbach, Germany (Chair) (not listed) (b) • KNDS NV, Amsterdam, Netherlands (not listed) • Wegmann Unternehmens-Holding GmbH & Co. KG, Fürstenfeldbruck, Germany (Chair) (not listed)
Michael Kleinemeier (external member) Heidelberg, Managing Director of e-mobiligence GmbH, Heidelberg	(a) • Merck KGaA, Darmstadt, Germany (listed) • Merck Life Science KGaA, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany (Chair) (not listed) (b) • SRH Holding (SdbR), Heidelberg (not listed)
Katharina Kraft Mannheim, Senior Product Manager at BASF SE, Ludwigshafen	No board positions
Helga Rübsamen-Schaeff (external member) Düsseldorf, Member of the Supervisory Board of AiCuris Anti-infective Cures AG, Wuppertal	(a) • Merck KGaA, Darmstadt, Germany (listed) • Merck Healthcare KGaA, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany (Chair) (not listed) • Merck Life Science KGaA, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany (not listed) • AiCuris Anti-Infective Cures AG, Wuppertal, Germany (not listed) • 4SC AG, Martinsried, Germany (listed)
Frank Stangenberg-Haverkamp Darmstadt, Chair of the Executive Board and General Partner of E. Merck KG, Darmstadt, Germany	(a) • Merck Healthcare KGaA, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany (not listed) • Merck Life Science KGaA, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany (Vice Chair) (not listed) • Merck Electronics KGaA, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany (Vice Chair) (not listed) • Fortas GmbH, Rösrath, Germany (Chairman) (not listed) (b) • Travel Asset Group Ltd., London, United Kingdom (Chair) (not listed)
Daniel Thelen Cologne, Program Manager Infrastructure at DB InfraGO AG, Frankfurt am Main	(a) • Merck KGaA, Darmstadt, Germany (listed)

New elections to the Board of Partners took place on January 28, 2024; since then, the Board of Partners has been composed as follows:

Member	Memberships as of 31 December 2024 of (a) statutory supervisory boards and (b) comparable German and foreign supervisory bodies of corporations
Wolfgang Büchele (Chair of the Board of Partners) (external member) Römerberg, Chair of Exyte GmbH, Stuttgart	(a) <ul style="list-style-type: none"> Merck Life Science KGaA, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany (not listed) Merck Electronics KGaA, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany (Chair) (not listed) Gelita AG, Eberbach, Germany (Chair) (not listed) (b) <ul style="list-style-type: none"> KNDS NV, Amsterdam, Netherlands (not listed)
Simon Thelen (Vice Chair of the Board of Partners) Cologne, Member of the Executive Board of E. Merck KG, Darmstadt, Germany, adjunct Medical Professor and Physician	(a) <ul style="list-style-type: none"> Merck KGaA, Darmstadt, Germany (listed) Merck Healthcare KGaA, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany (not listed) Merck Life Science KGaA, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany (not listed) Merck Electronics KGaA, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany (not listed)
Johannes Baillou Vienna, Austria, Chair of the Executive Board and General Partner of E. Merck KG, Darmstadt, Germany	(a) <ul style="list-style-type: none"> Merck Healthcare KGaA, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany (not listed) Merck Life Science KGaA, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany (not listed) Merck Electronics KGaA, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany (not listed)
Michael Kleinemeier (external member) Heidelberg, Managing Director of e-mobiligence GmbH, Heidelberg	(a) <ul style="list-style-type: none"> Merck KGaA, Darmstadt, Germany (Chair) (listed) Merck Life Science KGaA, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany (Chair) (not listed) Merck Electronics KGaA, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany (not listed) (b) <ul style="list-style-type: none"> SRH Holding (SdbR), Heidelberg (not listed)
Katharina Kraft Mannheim, Senior Product Manager at BASF SE, Ludwigshafen	No board positions
Susanne Schaffert (external member) Neumarkt, Board Director and Independent Consultant	(a) <ul style="list-style-type: none"> Merck KGaA, Darmstadt, Germany (listed) Merck Healthcare KGaA, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany (Chair) (not listed) Merck Life Science KGaA, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany (not listed) (b) <ul style="list-style-type: none"> ARTBio Inc., USA (not listed) Galapagos AG, Belgium (not listed) Incyte Corporation, USA (listed) Novo Holding, Denmark (not listed) Vetter Holding GmbH & Co. KG, Germany (not listed)
Carl Christoph Schweickert Stuttgart/Germany, Managing Partner of DIH Beteiligungen GmbH, Königstein im Taunus, Germany	No board positions
Daniel Thelen Cologne, Program Manager Infrastructure at DB InfraGO AG, Frankfurt am Main	(a) <ul style="list-style-type: none"> Merck KGaA, Darmstadt, Germany (listed)
André Wyss (external member) Bottmingen/Switzerland, CEO Implen AG, Glattpark (Opfikon), Switzerland	(a) <ul style="list-style-type: none"> Merck Healthcare KGaA, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany (not listed) Merck Life Science KGaA, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany (not listed) (b) <ul style="list-style-type: none"> Ina Invest AG, Glattpark, Switzerland (listed)

The Board of Partners supervises the Executive Board in its management of the company. It informs itself about the business matters of Merck KGaA, Darmstadt, Germany, and may inspect and examine the company's accounts, other business documents and assets for this purpose. According to Article 13 (4) of the Articles of Association of Merck KGaA, Darmstadt, Germany, the Executive Board requires the approval of E. Merck KG, Darmstadt, Germany, for transactions that are beyond the scope of the Group's ordinary business activities. For such transactions, approval must first be obtained from the Board of Partners of E. Merck KG, Darmstadt, Germany. The Board of Partners convenes as and when necessary; however, it normally meets four times per year. The members of the Executive Board of Merck KGaA, Darmstadt, Germany, are invited to all meetings of the Board of Partners, unless the Board of Partners decides otherwise in individual cases. The members of the Board of Partners may convene a joint meeting with the Supervisory Board of Merck KGaA, Darmstadt, Germany, if so agreed by the chairpersons of the two boards.

The Board of Partners may delegate the performance of individual duties to committees. Currently, the Board of Partners has three committees in place: the Personnel Committee, the Finance Committee and the Research and Development Committee.

Personnel Committee

The Personnel Committee has four members. As of December 31, 2024, these are Johannes Baillou (Chair), Wolfgang Büchele, Michael Kleinemeier, and Simon Thelen. The Personnel Committee meets at least twice a year. Further meetings are convened as and when necessary. Meetings of the Personnel Committee are attended by the Chair of the Executive Board of Merck KGaA, Darmstadt, Germany, unless the Committee decides otherwise. Among other things, the Personnel Committee is responsible for the following decisions concerning members and former members of the Executive Board: contents and conclusion of employment contracts and pension contracts; granting of loans and salary advances; changes to the compensation structure and adaptation of compensation; approval for taking on honorary offices, board positions and other sideline activities; and division of responsibilities within the Executive Board of Merck KGaA, Darmstadt, Germany. The Personnel Committee passes its resolutions by simple majority; in matters concerning the Chair of the Executive Board, unanimity is required. The Chair of the Committee regularly informs the Board of Partners of its activities.

Finance Committee

The Finance Committee has four members. As of December 31, 2024, these are André Wyss (Chair), Carl Christoph Schweickert, Daniel Thelen, and Simon Thelen. The Finance Committee holds at least four meetings per year, some of which are joint meetings with the Audit Committee of the Supervisory Board. At least one meeting is a joint meeting with the auditor of Merck KGaA, Darmstadt, Germany. Further meetings are convened as and when necessary. Meetings of the Finance Committee are attended by the Chief Financial Officer of Merck KGaA, Darmstadt, Germany. Other members of the Executive Board of Merck KGaA, Darmstadt, Germany, may attend the meetings upon request of the Finance Committee. These meetings regularly include the Chair of the Executive Board. Among other things, the Finance Committee is responsible for analyzing and discussing the Annual Financial Statements, the Consolidated Financial Statements and the respective reports of the auditor, as well as the half-year financial report and the quarterly statements. In addition, the Finance Committee addresses the Group's net assets, financial position, results of operations and liquidity, as well as accounting issues. Upon request of the Board of Partners, the Finance Committee examines investment projects that must be approved by the Board of Partners and provides recommendations pertaining thereto. It passes its resolutions with simple majority. The Committee Chair regularly informs the Board of Partners of the activities of the Finance Committee.

Research and Development Committee

The Research and Development Committee has three members. As of December 31, 2024, these are Susanne Schaffert (Chair), Katharina Kraft and Simon Thelen. The Research and Development Committee is convened as and when necessary but holds at least two meetings per year. Meetings of the Research and Development Committee are attended by members of the Executive Board of Merck KGaA, Darmstadt, Germany, upon request of the Committee. These meetings regularly include the Chair of the Executive Board as well as the CEO Life Science, the CEO Healthcare and the CEO Electronics. Among other things, the Research and Development Committee is responsible for reviewing and discussing the research activities of the Healthcare, Life Science and Electronics business sectors. It passes its resolutions with simple majority. The Chair of the Committee reports to the Board of Partners on the insights gained from the meetings.

Stipulations to promote the percentage of management positions held by women pursuant to section 76 (4) and section 111 (5) of the German Stock Corporation Act (AktG)

Stipulations pursuant to section 76 (4) AktG (target for the percentage of positions held by women on the two upper management levels below the Executive Board)

We foster diversity within the company, which also includes ensuring a balance of genders in management. To this end, we pursue both voluntary and legally required objectives, and we work continuously and sustainably to achieve them. As a global company with correspondingly aligned global (leadership) structures, we are striving to increase the proportion of management positions held by women (managers, experts and project managers in roles 4 and above) as a voluntary goal. Our aim is to achieve gender parity by the end of 2030.

In addition, Merck KGaA, Darmstadt, Germany, is subject to the statutory obligations under section 76 (4) AktG.

On December 21, 2021, the Executive Board of Merck KGaA, Darmstadt, Germany, therefore set the targets for the percentage of positions held by women within the company at 35.5% for the first management level below the Executive Board and 31.8% for the second management level below the Executive Board. Both targets corresponded to full headcounts at the date on which they were defined. The deadline set for reaching the targets was December 31, 2024.

As of December 31, 2024, the actual percentage of positions held by women within the company was 48.1% at the first management level and 36.0% at the second management level. For both management levels, the target proportion of women was thus significantly exceeded due to the successful recruitment and promotion of female employees at these levels.

On December 11, 2024, the Executive Board of Merck KGaA, Darmstadt, Germany, set the new targets to be achieved by December 31, 2027, in order to implement the obligations under section 76 (4) AktG as follows:

- First management level of the Group below the Executive Board: 48.1% of positions held by women, corresponding to full headcounts at the date on which the targets were defined.
- Second management level of the Group below the Executive Board: 35.8% of positions held by women, also corresponding to full headcounts at the date on which the targets were defined.

The first management level comprises all managers of the Group with a direct reporting line to the Executive Board of Merck KGaA, Darmstadt, Germany, or who belong to the Global Executive Group. The second management level comprises all managers of the Group who report to managers with a direct reporting line to the Executive Board of Merck KGaA, Darmstadt, Germany, or the Global Executive Group.

Stipulations pursuant to section 111 (5) AktG (target for the percentage of positions on the Supervisory Board held by women)

Pursuant to section 111 (5) AktG, the supervisory boards of companies that are listed or subject to co-determination must stipulate binding targets for the percentage of positions on the supervisory board and on the management board held by women. Merck KGaA, Darmstadt, Germany, is not required to stipulate targets pursuant to section 111 (5) AktG for the following reasons:

The statutory target of 30% pursuant to section 96 (2) AktG is already applied to the Supervisory Board of Merck KGaA, Darmstadt, Germany; this eliminates the obligation to stipulate a further target for the percentage of positions held by women on the Supervisory Board (see section 111 (5) sentence 8 AktG).

In turn, the obligation to stipulate a target for the percentage of positions held by women on the Executive Board pursuant to section 111 (5) AktG and the minimum composition requirement for the Executive Board pursuant to section 76 (3a) AktG are not applicable to the legal form of a corporation with general partners (Kommanditgesellschaft auf Aktien), as a corporation with general partners neither has a management board comparable to that of a stock corporation, nor does the Supervisory Board have personnel authority over the Executive Board. Instead, the Executive Board of Merck KGaA, Darmstadt, Germany, consists of personally liable general partners (see also the [description of Supervisory Board procedures](#)). In line with its diversity policy, however, Group also continues to pursue representation of both genders as an objective for the Executive Board.

Diversity policy pursuant to section 289f (2) no. 6 of the German Commercial Code (HGB)

We are pursuing a Group-wide global diversity strategy. Within the Group, diversity stands for a culture of inclusion, mutual esteem, and respect. To demonstrate this open and dynamic company culture, we promote diversity, equal opportunity, and inclusion throughout the Group – and do so at all levels, including the Executive Board and Supervisory Board.

We believe that a diverse workforce boosts the innovative strength of the Group and contributes materially to our business success. That is why we are furthering a culture of diversity independent of factors such as age, gender, disability, ethnic or cultural background, religion, industry experience and educational background. As part of our global diversity strategy, we have developed a diversity policy to strategically steer the topics of diversity and inclusion in our corporate bodies; this focuses on the following key criteria:



The Group-wide diversity strategy encompasses both voluntary and legally defined objectives that we continuously and sustainably work to achieve (see also the “Diversity and Inclusion” section of the (Group-) Sustainability Statement for 2024). In this context, it should be noted that, with respect to the Executive Board of Merck KGaA, Darmstadt, Germany, many rules can only be applied correspondingly. This is because the Executive Board comprises personally liable general partners of Merck KGaA, Darmstadt, Germany, and is not a management board with employed members of a corporate body (for details, please also see the [“Joint Report of the Executive Board and the Supervisory Board”](#)).

In addition to the aspects presented below, reference is made to the objectives of the Supervisory Board with respect to its composition and the profile of skills and expertise and the qualification matrix for the Supervisory Board (see the information on the [“Objectives of the Supervisory Board with respect to Its Composition, Profile of Skills and Expertise, and Qualification Matrix”](#)). The statements made therein form part of the diversity policy for the Supervisory Board presented here.

Age

Our boards are to have a balanced age structure. This permits future-oriented and consistent succession planning and is a key element of sustainable company management and monitoring. There are upper age limits for the management and supervisory board. There is an age limit of 70 years for members of the management and a standard age limit of 75 years for members of the supervisory board. Our diversity policy aims for an age range of at least ten years between the youngest and the oldest member of the respective board.

The current composition of both bodies satisfies this objective. The age range of the Supervisory Board spans 27 years, while the age range of the Executive Board currently spans ten years.

Gender

Gender diversity also plays a crucial role, since it enables us to benefit from a larger talent pool and allows us to develop a better understanding of important customer groups as a company.

Our company continues to pursue representation of both genders as an objective for the Executive Board. The Board of Partners of E. Merck KG, Darmstadt, Germany, appointed Belén Garijo as the new Chair of the Executive Board effective May 1, 2021, making it the first time a woman had been appointed to this position. Helene von Roeder has been a member of the Executive Board and the Chief Financial Officer of Merck KGaA, Darmstadt, Germany, since July 1, 2023. This means that women account for 40% of the members of the Executive Board. The statutory target of 30% pursuant to section 96 (2) AktG already applies to the Supervisory Board of Merck KGaA, Darmstadt, Germany, and is currently met at 44%.

Internationality and global mindset

As a global science and technology company with operations and major markets on five continents with more than 62,000 employees¹ at locations in 65² countries, internationality and the associated global mindset is one of our key success factors. Our diversity policy stipulates that the Executive Board's has internationality through leadership experience or national origin, relative to our key sales markets or those locations that are organizationally and culturally relevant to our employee development efforts. For both criteria, Europe, North America and Asia-Pacific are currently the key regions.

The Executive Board meets this objective with management experience in these regions, and especially in the following countries: Denmark, Malaysia, Singapore, Spain, the United Kingdom and the United States. In addition, 40% of the Executive Board members are not German citizens.

¹ Our company also employs people at sites of subsidiaries that are not fully consolidated. This number refers to people employed in fully consolidated subsidiaries.

² Each country with at least one active employee is included as a separate country.

Management experience

The key prerequisites for high-performance leadership teams are the diversity of the individual competency profiles and a balance between an internal and external management perspective. Therefore, the Executive Board as a whole must have in-depth knowledge and experience in the following key areas of importance to the company: strategy and planning, finance and accounting, sales and operations, human resources, legal and compliance, and information technology, as well as ecological and social sustainability. In addition, it is important for the composition of the Executive Board to ensure a good balance of members from within and outside the company. Our diversity policy seeks to derive inspiration and innovation from outside the company and to identify the latest trends of relevance to the core businesses of the company while ensuring sustainability and continuity in line with our corporate culture.

The current Executive Board fulfills both of the aforementioned objectives: All required aspects of the competency profile are covered by at least one member of the Executive Board. Likewise, two members of the Executive Board possess multiple years of experience working within the Group prior to their appointment to the Executive Board.

Industry experience

To efficiently lead and manage the Group, the Executive Board must have in-depth knowledge of the key industries and business sectors in which the company operates. In accordance with the diversity concept, there should be at least one member of the Executive Board with in-depth expertise of Healthcare, Life Science or Electronics.

The Executive Board covers the full range of the necessary industry experience.

Educational background

In order to translate the tremendous innovative potential of a science and technology company into sustainable business success, interdisciplinary educational backgrounds are a key element of our diversity policy both for the Executive Board and for the Supervisory Board. The current composition of both boards illustrates this interdisciplinary aspect to a very high degree.

The members of the Executive Board contribute knowledge of various fields including medicine (pharmacology, physical education), (astro)physics, information technology, and electrical engineering. In addition, the majority of members of the Executive Board are university graduates and hold doctorates.

Moreover, the members of the Supervisory Board have a background in one or more of the following fields of specialization: chemistry, medicine, mathematics, law, business administration and economics, biology, process technology, and computer science.

Seven Supervisory Board members are university graduates and hold doctorates.

Report of the Supervisory Board

The Supervisory Board again properly executed its duties in 2024 in accordance with the law, the Articles of Association of Merck KGaA, Darmstadt, Germany, and its rules of procedure. In particular, the Supervisory Board monitored the work of the Executive Board diligently and regularly.

Cooperation with the Executive Board

The cooperation with the Executive Board was characterized by an intensive dialog on the basis of mutual trust. During fiscal 2024, the Executive Board provided the Supervisory Board with regular written and verbal reports on the business development of Merck KGaA, Darmstadt, Germany, and the Group. In particular, the Executive Board also informed the Supervisory Board about the market and sales situation of the company in the context of macroeconomic developments, and the financial position of the company and its subsidiaries, along with their earnings development and corporate planning. Within the scope of quarterly reporting, the sales and operating results were presented for the Group as a whole and broken down by business sector. The Chair of the Supervisory Board also maintained a regular exchange of information with the Chair of the Executive Board outside the Supervisory Board meetings.

Key topics of the Supervisory Board meetings

A total of eight Supervisory Board meetings were held in fiscal 2024 (five of them in person). This comprised six regular meetings and two ad hoc meetings on current projects. At four of the eight meetings, the Supervisory Board intensively addressed the reports of the Executive Board and discussed company developments and strategic issues together with the Executive Board. The Chair of the Audit Committee reported comprehensively on the previous meetings of the Audit Committee at these meetings of the Supervisory Board. Information on the outcome of a medical trial was also offered to the Supervisory Board (in virtual form) in fiscal 2024.

After the long-standing Chair of the Supervisory Board, Wolfgang Büchele, stepped down from this position, an extraordinary meeting in January 2024 elected Michael Kleinemeier as the new Chair of the Supervisory Board until the Annual General Meeting on April 26, 2024.

At the meeting in February 2024, the Supervisory Board intensively addressed the Annual Financial Statements and Consolidated Financial Statements for 2023, the Combined Management Report, the reports of the auditor (Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich, "Deloitte"), including the audit report on the non-financial statement for fiscal 2023, and the proposal for the appropriation of net retained profit. The auditor (Deloitte) explained the audit reports including the focus areas of the audit. The Executive Board and the Head of Group Financial Reporting reported on the financial statements. Furthermore, the Supervisory Board approved the report and the objectives of the Supervisory Board with respect to its composition and the profile of skills and expertise including the qualification matrix, the Declaration of Conformity with the German Corporate Governance Code, and the Statement on Corporate Governance. The Supervisory Board also adopted the proposals to be made to the Annual General Meeting, including the changes to Supervisory Board compensation and the proposals for the new election of Supervisory Board members. The Executive Board reported on business performance in 2023 and outlined the plans for fiscal 2024.

The newly elected Supervisory Board held a constituent meeting in April 2024 at which it elected its Chairman and Vice Chair and the members of the Audit Committee, including its Chair.

The meeting in May 2024 focused on the report of the Executive Board on business performance in the first quarter and the forecast for fiscal 2024. The Executive Board discussed developments in the first quarter of 2024 and provided an outlook concerning the expected business performance in 2024 as a whole. The Supervisory Board extensively discussed the contributions of the individual business sectors to the financial performance. The presentation of the Healthcare, Life Science and Electronics business sectors was an additional focus of the meeting. The Supervisory Board also discussed the results of the Employee Engagement Survey 2023.

At the meeting in July 2024, the Executive Board reported on business performance in the second quarter of 2024 and the increase in the forecast for the Group as a result. Another topic was the audit of the compensation report by the auditor (Deloitte), who was commissioned to conduct the formal and material audit of the compensation report for fiscal 2024. The July meeting of the Supervisory Board intensively addressed the process solutions strategy.

At the Supervisory Board meeting in November 2024, the Executive Board provided an overview of business performance in the third quarter of 2024. The background to this business performance was then discussed in detail by the Supervisory Board. Other topics discussed included the corporate strategy and the report on the Global Leadership Summit (GLS). The Head of Group Financial Reporting then reported on the transactions of Merck KGaA, Darmstadt, Germany, with related parties within the meaning of section 111a et seq. AktG. There were no transactions requiring the approval of the Supervisory Board in accordance with section 111b (1) AktG. The members of the Nomination Committee were also newly elected. Ahead of its November meeting, the Supervisory Board was given extensive training on sustainability and sustainability reporting by internal and external experts.

The Supervisory Board regularly concludes its meetings without the members of the Executive Board being present. Additionally, the employee representatives gather for a preparatory meeting ahead of each Supervisory Board meeting. The employee representatives also gather immediately after each Supervisory Board meeting to discuss the topics addressed at the meeting. Among other things, this includes a discussion of which topics should be put on the agenda for the next Supervisory Board meeting.

Annual Financial Statements and Consolidated Financial Statements

The Annual Financial Statements of Merck KGaA, Darmstadt, Germany, prepared in accordance with German commercial law, the Consolidated Financial Statements of the Group, and the Combined Management Report for Merck KGaA, Darmstadt, Germany, and the Group, including the accounts, were audited by Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich.

The auditor issued an unqualified audit opinion on the Annual Financial Statements of Merck KGaA, Darmstadt, Germany, in accordance with German Auditing Standards.

For the Consolidated Financial Statements prepared in accordance with International Financial Reporting Standards (IFRS) and for the Combined Management Report, the auditor issued the unqualified auditor's report that is reproduced in the Annual Report of the Group.

In addition, the auditor audited the calculation of the participation of Merck KGaA, Darmstadt, Germany, in the profit of E. Merck KG, Darmstadt, Germany, in accordance with Article 27 (2) of the Articles of Association of Merck KGaA, Darmstadt, Germany. The Annual Financial Statements of Merck KGaA, Darmstadt, Germany, the Consolidated Financial Statements of the Group, the Combined Management Report for Merck KGaA, Darmstadt, Germany, and the Group, and the proposal of the Executive Board for the appropriation of net retained profit were submitted first to the Audit Committee and then to the Supervisory Board together with the auditor's reports.

The Audit Committee examined the Annual Financial Statements of Merck KGaA, Darmstadt, Germany, the proposal for the appropriation of net retained profit and the auditor's report. It also examined the Consolidated Financial Statements of the Group as well as the Combined Management Report for Merck KGaA, Darmstadt, Germany, and the Group and acknowledge the auditor's reports of Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich. In particular, the Audit Committee focused on the key audit matters of particular importance in the audit opinion, the resulting risks for the financial statements, the approach adopted during the audit as described, and the conclusions drawn by the auditor. Upon completion of its assessment, the Audit Committee raised no objections and recommended that the Supervisory Board approve the Annual Financial Statements for Merck KGaA, Darmstadt, Germany, the Consolidated Financial Statements of the Group, the Combined Management Report of Merck KGaA, Darmstadt, Germany, and the Group prepared by the Executive Board, and the report presented by the auditor in accordance with Article 27 (2) of the Articles of Association of Merck KGaA, Darmstadt, Germany.

In accordance with Article 14 (2) of the Articles of Association of Merck KGaA, Darmstadt, Germany, the Supervisory Board examined the Annual Financial Statements of Merck KGaA, Darmstadt, Germany, the proposal for the appropriation of net retained profit, and the auditor's report presented in accordance with Article 27 (2) of the Articles of Association of Merck KGaA, Darmstadt, Germany, at its meeting in February 2025 to approve the financial statements. It also examined the Consolidated Financial Statements of the Group as well as the Combined Management Report for Merck KGaA, Darmstadt, Germany, and the Group and acknowledge the auditor's reports of Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich. The discussion of the relevant agenda item at this meeting was also attended by the auditors who sign the audit opinion on the Annual Financial Statements of Merck KGaA, Darmstadt, Germany, and the Consolidated Financial Statements of the Group. The auditors also reported on their audit at this meeting. This was also the case for the meeting of the Audit Committee. Based on the recommendation of the Audit Committee and its own review, the Supervisory Board approved the Annual Financial Statements for Merck KGaA, Darmstadt, Germany, the Consolidated Financial Statements of the Group, the Combined Management Report of Merck KGaA, Darmstadt, Germany, and the Group prepared by the Executive Board, and the report presented by the auditor in accordance with Article 27 (2) of the Articles of Association of Merck KGaA, Darmstadt, Germany. The Supervisory Board gave its consent to the proposal of the Executive Board for the appropriation of net retained profit after conducting its own review.

Corporate governance and Declaration of Conformity

Corporate governance is a high-priority topic for the Supervisory Board. In its own estimation, the Supervisory Board has an adequate number of independent members. There were no conflicts of interest as defined by the German Corporate Governance Code involving Supervisory Board members during the year under review. Dialog with the stakeholder groups set out in the German Corporate Governance Code is an important aspect of opinion-forming within the company. Among other things, this takes the form of surveys in connection with the materiality analysis as well as direct discussions. For example, the Supervisory Board takes the related investor suggestions extremely seriously. In fiscal 2024, the Chair of the Supervisory Board held around ten discussions with investors on Supervisory Board-specific topics. At the start of the year, the discussions with Dr. Büchele focused on exploratory talks ahead of the Annual General Meeting. As the new Chair of the Supervisory Board, Mr. Kleinemeier, continued the investor dialogues. During the course of the year, he discussed Supervisory Board-specific topics relating to corporate governance with JO Hambro and DWS Investment GmbH, for example. With a view to the forthcoming vote on the compensation system at the 2025 Annual General Meeting, Mr. Kleinemeier, who is also a member of the Personnel Committee, discussed the Executive Board compensation system and the planned changes. The focus was on the explanation of profit sharing, which is a special features of our compensation system, as well as a detailed discussion of the structure of the key performance indicators for the long-term component of the compensation system. Topics such as the virtual format of the Annual General Meeting and the issue of mandates and sustainability expertise on the Supervisory Board were also discussed.

The Supervisory Board has an onboarding process aimed at enabling the quick and efficient induction of new members. Most recently, the members of the Supervisory Board received corresponding training in May 2024.

After discussing corporate governance issues in detail, the Executive Board and the Supervisory Board adopted the updated Declaration of Conformity in accordance with section 161 AktG and issued it jointly in February 2025. The statement is permanently available on the website of Merck KGaA, Darmstadt, Germany (<https://www.emdgroup.com/en/investors/corporate-governance/reports.html>). More information about corporate governance at Merck KGaA, Darmstadt, Germany, including the compensation of the Executive Board and Supervisory Board, can be found in the Statement on Corporate Governance.

Committees

The Supervisory Board of Merck KGaA, Darmstadt, Germany, had a Nomination Committee and an Audit Committee in fiscal 2024.

Audit Committee

The Audit Committee meets four times a year. Further meetings are convened as and when necessary. The Audit Committee is generally responsible for accounting and auditing matters. This includes sustainability reporting and auditing the sustainability reports. In particular, its responsibilities include auditing the Annual Financial Statements, the Consolidated Financial Statements, and the respective reports of the auditor, as well as the half-year financial report and the quarterly statements. The Audit Committee discusses the assessment of audit risk, the audit strategy and audit planning and the results of the audit with the auditor. The Chair of the Audit Committee regularly discusses the progress of the audit with the auditor and reports back to the committee. The other responsibilities of the Audit Committee include assessing the performance of the auditor, and especially the auditor in charge of the engagement. The Audit Committee is also tasked with sustainability. This topic was assigned to it at the Supervisory Board meeting in April 2023. The Chair of the Audit Committee has particular expertise in the area of sustainability and hence can be considered an expert.

The Audit Committee prepares the negotiations and resolutions of the Supervisory Board on the approval of the Annual Financial Statements and Consolidated Financial Statements and the proposal to the Annual General Meeting on the election of the auditor. The adoption of the Annual Financial Statements is not the responsibility of the Audit Committee or the Supervisory Board, but of the Annual General Meeting. The Audit Committee also ascertains the independence of the auditor, determines the focus areas of the audit and concludes the fee agreement. Furthermore, the Audit Committee monitors the accounting process, the effectiveness of the internal control system, the risk management system, the internal auditing system, and compliance. The Chair of the Audit Committee and the auditor also engage in a regular dialog outside of the meetings of the Audit Committee.

At the meeting in February 2024, which was held in person, the Chief Financial Officer and the Head of Group Financial Reporting reported on the 2023 Consolidated Financial Statements and the Annual Financial Statements of Merck KGaA, Darmstadt, Germany, which were then discussed in detail by the Audit Committee. This included a discussion of the sustainability topics contained in the (Group-) Sustainability Statement. The auditor (Deloitte) also reported on the audit of the financial statements and discussed the focus areas of the audit. The declaration of auditor independence was acknowledged and evaluated. The meeting also reviewed and resolved on the proposal on the appropriation of net retained profit to be submitted to the Supervisory Board, including the dividend payment by Merck KGaA, Darmstadt, Germany, for fiscal 2023, and the update on end-to-end reporting (financial health check). Furthermore, the Audit Committee acknowledged and discussed the written risk report. The Head of Group Internal Auditing then presented the report from Group Internal Auditing for 2023. The compliance and data protection report was also presented and discussed, as were the details of the non-audit services approved in fiscal 2023.

At the meeting in May 2024, which was held in person, the new Audit Committee was constituted following the new election of Supervisory Board members at the Annual General Meeting on April 26, 2024, and the report on the net assets, financial position and results of operations of the Group for the first quarter of 2024 was presented and discussed by the Audit Committee in detail. The Audit Committee also discussed the start date of the audit period with the auditor (Deloitte). The auditor provided an overview of the planning for the audit of the financial statements. The status and progress of the implementation of the Corporate Sustainability Reporting Directive (CSRD) was also discussed.

The meeting of the Audit Committee in July 2024, which was held in person, included a detailed discussion of the report on the net assets, financial position and results of operations of the Group for the second quarter of 2024. The auditor (Deloitte) presented the results of the audit review of the half-year financial report. The auditor also provided an update on process planning for the audit of the Annual Financial Statements and the planned focal points. The Audit Committee approved on the list of the individual audit and non-audit services. A further focal point was the risk report for the first half of 2024 and the status report on the internal control system (ICS), which the Audit Committee discussed in detail. The status and progress of CSRD implementation and the IT strategy were also discussed.

At the meeting that was held in person in November 2024, the Head of Group Financial Reporting reported on the net assets, financial position and results of operations of the Group in the third quarter of 2024, which saw net sales returning to organic growth across the entire Group. The Audit Committee discussed the report on the third quarter in detail. It then discussed the guidelines on exceptionals (EBITDA vs. EBITDA pre), reviewed the contractual terms for the annual audit of the financial statements, and evaluated the audit of the financial statements and non-audit services following an extensive presentation by the Head of Group Financial Reporting. The preliminary focus areas for the audit of the Annual Financial Statements and the corresponding schedule were then discussed with the auditor (Deloitte). Finally, the report on Group Internal Auditing and the status report on compliance and data protection were presented, and an overview of the status of cybersecurity was provided.

Nomination Committee

The Nomination Committee did not meet in fiscal 2024.

Personnel matters and training

With the exception of the extraordinary meeting in January 2024, the in-person meeting in November 2024, and the two ad hoc meetings that were held virtually, the Supervisory Board attended all of the meetings in full during the fiscal year. The members of the Audit Committee attended all meetings of the Audit Committee.

To support further targeted training, the Supervisory Board is offered an informational event with internal and external speakers at least once a year. Two training events took place in fiscal 2024. One event was held on July 31, 2024, on the topic "Process Solutions Strategy". The focus was on viral gene therapies and the strategy for ensuring a robust production model. Additionally, a training event on sustainability and sustainability reporting with internal and external speakers was held on November 12, 2024. The event covered the strategic relevance of sustainability, regulatory dynamics and challenges, and current insights into CSRD implementation in regard to the industry. In particular, aspects and developments of relevance to the Supervisory Board in connection with the CSRD (e.g., dealing with sustainability issues and improving sustainability competence, ensuring the statutory system monitoring, and the Supervisory Board's audit obligations) were addressed and discussed in detail. The Supervisory Board was also provided with detailed information on the status of the implementation of our climate change plan. The company generally covers the cost of training measures for the Supervisory Board.

The newly elected Supervisory Board members at the Annual General meeting on April 26, 2024, received the planned onboarding, which was prepared and conducted by employees of the Legal department. The onboarding process conducted in May 2024 included not only legal aspects, but also training on the newly introduced corporate management tool for the Supervisory Board and the Audit Committee.

Darmstadt, February 2025

The Supervisory Board of Merck KGaA, Darmstadt, Germany

Michael Kleinemeier

Chair

objectives of the supervisory board with respect to its composition, profile of skills and expertise, and qualification matrix

Initial situation

According to recommendation C.1 of the German Corporate Governance Code in its version dated April 28, 2022, the Supervisory Board shall specify concrete objectives regarding its composition and develop a qualification matrix for the entire board. In its composition, the Supervisory Board shall take into account the number of independent members, consider diversity, set an age limit, and disclose the length of membership of its members on the Supervisory Board. The Supervisory Board's qualification matrix shall also include expertise on sustainability issues that are relevant to the company.

General notes on the composition of the Supervisory Board

The Supervisory Board of Merck KGaA, Darmstadt, Germany, currently comprises 16 members, eight of whom represent the shareholders and eight of whom represent the employees. The eight employee representative members are elected by employee delegates pursuant to the provisions of the German Co-determination Act (MitbestG). These consist of six company employees, including a senior executive, as well as two union representatives. The Supervisory Board has no statutory right of proposal with respect to the election of delegates or employee representatives to the Supervisory Board. Two of the eight shareholder representatives are appointed under a delegation right of E. Merck Beteiligungen KG, Darmstadt, Germany, a related party of E. Merck KG, Darmstadt, Germany. The Supervisory Board also has no statutory right of proposal with respect to the exercise of this delegation right. The other six shareholder representatives are elected by the Annual General Meeting. In accordance with section 124 (3) sentence 1 AktG, the Supervisory Board shall propose Supervisory Board members to the Annual General Meeting for election. These proposals require a majority of the votes of the shareholder representative members of the Supervisory Board. The next scheduled election to the Supervisory Board will take place at the 2028 Annual General Meeting. The Annual General Meeting is not required to follow the election proposals. Accordingly, the appointment objectives and competency requirements set out by the Supervisory Board below do not constitute requirements to be met by those eligible to elect or delegate members. Instead, they are intended to express the objectives pursued by the Supervisory Board in office with regard to its advisory and monitoring functions.

For the Supervisory Board of Merck KGaA, Darmstadt, Germany, professional qualifications and personal expertise are the two most important prerequisites for appointments to positions on the Supervisory Board. In accordance with the AktG, at least one member of the Supervisory Board must have knowledge and expertise in the area of accounting, and at least one additional member of the Supervisory Board must have knowledge and expertise in the auditing of financial statements. The expertise in the field of accounting shall consist of special knowledge and experience in the application of accounting principles and internal control and risk management systems, and the expertise in the field of auditing shall consist of special knowledge and experience in the auditing of financial statements. Accounting and auditing also include sustainability reporting and its audit. The Chair of the Audit Committee shall have appropriate expertise in at least one of the two areas and shall be independent. When proposing Supervisory Board candidates for election or delegation, the Supervisory Board will always give top priority to these prerequisites, which are essential for fulfilling its legal duties. Overall, the Supervisory Board's policy is to optimally meet its monitoring and advisory duties by ensuring diversity among its members. In particular, diversity includes internationality as well as different experience backgrounds and career paths. The proportion of women on the Supervisory Board is also considered to be an aspect of diversity. When preparing proposals for election or delegation to the Supervisory Board, the Supervisory Board shall consider in each case to what extent different, complementary specialist skills, professional and life experience, and an appropriate representation of both genders benefit the work of the Supervisory Board. Additionally, the Supervisory Board shall support the Executive Board in its efforts to increase diversity within the company.

Objectives of the Supervisory Board with respect to its composition

In accordance with recommendation C.1 of the German Corporate Governance Code in the version dated April 28, 2022, the Supervisory Board has specified the following objectives regarding its composition and reports below on the status of implementation.

Internationality

The Supervisory Board shall have at least three members with business experience in the main sales markets of Merck KGaA, Darmstadt, Germany. Currently, the main sales markets of Merck KGaA, Darmstadt, Germany, are Europe, America and Asia-Pacific. The present composition of the Supervisory Board satisfies this objective. More than three Supervisory Board members have entrepreneurial experience in a wide range of European countries. More than three Supervisory Board members have experience in management positions in companies that operate globally.

Women on the Supervisory Board

Seven women are currently members of the Supervisory Board of Merck KGaA, Darmstadt, Germany. This corresponds to a share of women of 43.75%. The Supervisory Board has undertaken to comply with the minimum quotas set out in section 96 (2) sentence 2 AktG separately for the shareholder and employee representatives. When nominating candidates for election to the Supervisory Board or making proposals for delegations, the Supervisory Board shall examine whether the percentage of women can be increased by suitable candidates. The Supervisory Board considers the 43.75% share of female members to be satisfactory at the present time. This is due to the percentage of women in leadership positions at our company and in consideration of the composition of the supervisory boards of other companies of comparable size.

Independence

The Supervisory Board shall have an appropriate number of independent shareholder representatives as members. At least five of the shareholder representatives on the Supervisory Board shall be independent. According to the Articles of Association of Merck KGaA, Darmstadt, Germany, six members representing the shareholders are to be elected by the Annual General Meeting and two members are to be delegated. Taking this and the special ownership structure of Merck KGaA, Darmstadt, Germany, into account, the shareholder representatives consider five shareholder representatives to be an appropriate number of independent members. In the opinion of the shareholder representatives, the objectives concerning independent members are met at the present time. The shareholder representatives consider the following members to be independent: Katja Garcia Vila, Michael Kleinemeier, Carla Kriwet, Barbara Lambert, Stefan Palzer, Susanne Schaffert, Daniel Thelen, and Simon Thelen.

The shareholder representatives do not believe that membership of the Board of Partners of E. Merck KG, Darmstadt, Germany, conflicts with independence. The Board of Partners exists to supplement the skills and expertise of the Supervisory Board and its activities. Like the Supervisory Board, it supports the Executive Board in an independent advisory and control function. This is not expected to lead to any conflicts of interest that are material and not merely temporary. It should also be taken into account that, due to its substantial capital investment and unlimited personal liability, E. Merck KG, Darmstadt, Germany, has a strong interest in the businesses of Merck KGaA, Darmstadt, Germany, operating efficiently and in compliance with procedures, thus counteracting from the outset any conflicts of interest between E. Merck KG, Darmstadt, Germany, and Merck KGaA, Darmstadt, Germany, and hence any corresponding conflicts of interest between the members of the respective corporate boards.

No material conflicts of interest

In addition, no one shall be proposed for election to the Supervisory Board who simultaneously serves on a board of or advises a major competitor of the company, or who, owing to another function, such as advisor to major contract partners of the company, could potentially become involved in a conflict of interest. No Supervisory Board member serves on a board of or advises a major competitor. Moreover, no Supervisory Board member performs a function that could lead to a lasting conflict of interest.

Age limit

As a rule, the members of the Supervisory Board shall not exceed the age of 75. This objective is met at the present time.

Regular limit on the length of Supervisory Board membership

The objective of the Supervisory Board regarding its composition is that, as a rule, all members shall belong to the board for an uninterrupted period of no more than 12 years. This objective is also met at the present time. The length of membership of the Supervisory Board members is set out in the [“Procedures of the Executive Board, Supervisory Board, Board of Partners, and its Committees”](#) section of the Statement on Corporate Governance.

Qualification matrix

Additionally, in accordance with recommendation C.1 of the German Corporate Governance Code in the version dated April 28, 2022, the Supervisory Board has prepared a qualification matrix and reports on the status of implementation below.

	Sector Knowledge (HC, LS, EL)	Management Experience	Accounting incl. Sustainability Reporting ^{1,2}	Auditing ²	External Supervisory or Control Bodies ³	Sustainability	Business Administration	Data and Digital
Michael Kleinemeier (Chair)	●	●	●	●	●	●	●	●
Sascha Held (Vice Chair)	●	●	●	●	○	●	●	●
Birgit Biermann	●	●	○	○	●	●	●	●
Katja Garcia Vila	○	●	●	●	○	●	●	●
Carla Kriwet	●	●	●	●	●	●	●	●
Barbara Lambert	●	●	●	●	●	●	●	●
Anne Lange	●	●	○	○	○	●	●	●
Dietmar Oeter	●	●	●	○	○	●	●	●
Stefan Palzer	●	●	●	●	●	●	●	●
Alexander Putz	●	●	○	○	○	●	○	○
Christian Raabe	●	●	●	●	○	●	●	●
Michael Reinhart	●	●	●	●	●	○	●	●
Susanne Schaffert	●	●	●	●	●	●	●	●
Sandra Schwebke	●	●	●	○	○	●	●	●
Daniel Thelen	●	●	●	●	●	●	●	●
Simon Thelen	●	●	●	●	○	●	●	●

¹ Including internal control system & risk management system.

² According to the German Corporate Governance Code, experience in the fields of accounting and auditing requires own activity in these areas.

³ Not Supervisory Board or Board of Partners in the Group.

● good to very good knowledge; ● average knowledge; ○ no/little knowledge, based upon a self-assessment by the Supervisory Board. ● means in each case the ability to understand the relevant issues well and make informed decisions on the basis of existing qualifications, the knowledge and experience acquired in the course of work as a member of the Supervisory Board (for example, many years of service on the Audit Committee) or the training measures regularly attended by all members of the Supervisory Board.

In-depth knowledge of the fields relevant to the company

The Supervisory Board shall have at least four members with in-depth knowledge of and experience in fields that are important to the company, including at least one expert for the fields of Life Science, Healthcare and Electronics. This requirement is met at the present time. At present, more than four members of the Supervisory Board have in-depth knowledge and experience in the fields of Life Science, Healthcare and Electronics. In addition, more than four Supervisory Board members have executive experience in companies that also or exclusively operate in the fields of Life Science, Healthcare and/or Electronics.

Management experience

The Supervisory Board shall have at least three members who have experience in managing or supervising a medium or large-sized company. The Supervisory Board has more than three members who have the corresponding experience. They include Supervisory Board members who were or still are members of the management or executive board at relevant companies, as well as Supervisory Board members who have gained experience in supervisory bodies of German or foreign companies of this size.

Knowledge of business administration

The Supervisory Board must have at least four members who have in-depth knowledge of business administration and at least one member who has professional expertise in accounting or auditing. This requirement is met at the present time.

Experience in other supervisory or control bodies

In addition, the Supervisory Board shall have at least four members who have experience as members of other supervisory or control bodies (not including membership of the Board of Partners of E. Merck KG, Darmstadt, Germany). This requirement is also met at the present time.

Sustainability expertise

Finally, the qualification matrix for the Supervisory Board shall also include expertise regarding sustainability issues relevant to the company. Fifteen Supervisory Board members have such expertise with average or good to very good knowledge in the area of sustainability. This expertise is based primarily on training, membership in relevant associations and extensive practical experience in committees dealing with sustainability issues. In particular, the Supervisory Board has specialist expertise in the sub-topics of climate change and social issues and corporate governance.