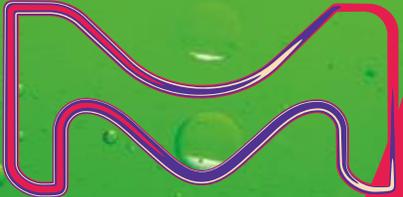


sustaining life for generations

Merck KGaA, Darmstadt, Germany

Investor Relations
Darmstadt, March 2021





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Risks and uncertainties include, but are not limited to: the risks of more restrictive regulatory requirements regarding drug pricing, reimbursement and approval; the risk of stricter regulations for the manufacture, testing and marketing of products; the risk of destabilization of political systems and the establishment of trade barriers; the risk of a changing marketing environment for multiple sclerosis products in the European Union; the risk of greater competitive pressure due to biosimilars; the risks of research and development; the risks of discontinuing development projects and regulatory approval of developed medicines; the risk of a temporary ban on products/production facilities or of non-registration of products due to non-compliance with quality standards; the risk of an import ban on products to the United States due to an FDA warning letter; the risks of dependency on suppliers; risks due to product-related crime and espionage; risks in relation to the use of financial instruments; liquidity risks; counterparty risks; market risks; risks of impairment on balance sheet items; risks from pension obligations; risks from product-related and patent law disputes; risks from antitrust law proceedings; risks from drug pricing by the divested Generics Group; risks in human resources; risks from e-crime and cyber attacks; risks due to failure of business-critical information technology applications or to failure of data center capacity; environmental and safety risks; unanticipated contract or regulatory issues; a potential downgrade in the rating of the indebtedness of Merck KGaA, Darmstadt, Germany; downward pressure on the common stock price of Merck KGaA, Darmstadt, Germany and its impact on goodwill impairment evaluations as well as the impact of future regulatory or legislative actions.

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Scientific exploration and responsible entrepreneurship

Innovation Power

- We are a leading science and technology company with curious minds dedicated to human progress
- Long track-record in offering innovative products in attractive markets and serving important megatrends to generate future growth

Pioneering Products

- Well-equipped for developing new product classes: Portfolio of life-improving products in all businesses
- Enabling our customers including scientists and developers to design next-gen products

Responsible Governance

- Resilient operations from sustainable leadership and risk-mitigation approach
- Responsibility is in our DNA: Reflected by our corporate governance, legal form with 70% family ownership, and a history of more than 350 years



Healthcare

Leading in specialty pharma markets

- Pioneer in cancer treatment
- Advancing care in immunology addressing unmet medical need
- Global market leader in fertility treatments
- Portfolio of gold-standard medicines
- Capable R&D pipeline
- **Patients are at the center of our work and with every advance, we are improving lives**



Life Science

Leading life science company

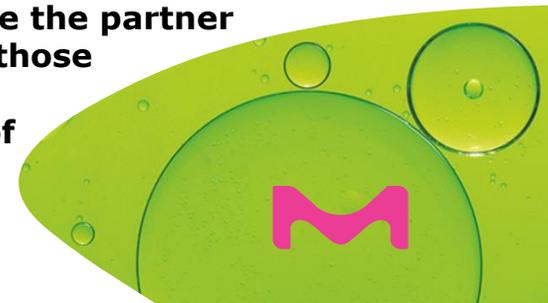
- Trusted supplier and partner for the scientific community
- From research to large scale production with >300,000 our products
- Novel technologies and world-class solutions driving discoveries
- Valuable grants and patents
- **We want to solve science's toughest challenges and accelerate access to better health**



Electronics

Leading company in high-tech solutions

- Innovations to change the way we access, store, process, and display data
- Enhance new generations of electronic products for our everyday lives
- Provide innovative functional and decorative pigments
- **We want to be the partner of choice for those creating the innovations of tomorrow**



Sustainability is a key component of our Group strategy as a vibrant science and technology company

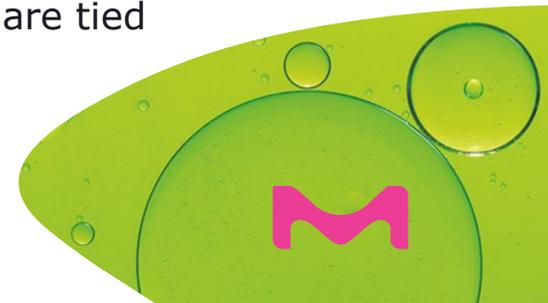
We are curious minds dedicated to human progress.

We are living in a time when solutions for many global challenges can be found by bringing together the best ideas. As a company, we take our responsibility very seriously and seek to help **drive today's technological transformation towards sustainability.**



As a sustainable company, we **create long-term value** through our operations while seeking to **balance environmental, social and governance aspects** – for us, for our stakeholders and for society at large.

Through our business and our behavior, we contribute to the 2030 Agenda for Sustainable Development of the United Nations. A selection of **five SDGs** are of **highest strategic relevance** for us and are tied into our Group-wide strategy.



Sustainability strategy enhanced, leveraging strengths with clear commitment to new targets

01

Dedicated to HUMAN PROGRESS

In 2030, we will achieve human progress for more than one billion people through sustainable science and technology.

Our focus areas



Sustainable innovations and technology for our customers



Impact of our technologies and products on health and well-being

Focus SDGs



02

creating sustainable value chains

By 2030, we will integrate sustainability into all our value chains.

Our focus areas



Sustainability culture and values



Sustainable and transparent supply chain



Securing our social license to operate in all regions

Focus SDGs



03

reducing our ecological footprint

By 2040, we will achieve climate neutrality and reduce our resource consumption.

Our focus areas



Climate change and emissions



Water and resource intensity

Focus SDGs



Reduce our environmental footprint: Environmental targets 2020 have been achieved, new targets set

Achievements 2020

Reduce scope 1+2 emissions



Emissions target 2020 achieved!

- ✓ 25% overall reduction for Scope 1 and 2 emissions in 2020 relative to 2006 (planned: 20%)

Reduce water in stressed areas



Water target 2020 achieved!

- ✓ Water use in stressed areas reduced by 27% in 2020 vs. 2014 (planned: 10%)
- ✓ By 2020, all production sites⁴ successfully implemented sustainable water management system

Reduce Company Waste Score



Waste target ongoing & on track!

- ✓ Based on Company Waste Score, reduced environmental impact by 4.6% vs. 2016 (planned: 5% by 2025)

¹versus 2006 baseline, excluding Versum Materials

²versus 2014 baseline

³versus 2016 baseline

⁴Sites > 70.000 m³/a

New targets from 2021

- Aiming for **climate neutrality** (scope 1 to 3 emissions) **by 2040**
- **Lower scope 1 and 2 GHG⁵ emissions by 50%** and to source 80% of purchased electricity from renewable sources until 2030 vs. 2020 baseline
- **Absolute reduction of 1,500 kt⁶ scope 3 CO₂ equivalents by 2030**
- Enhancing water efficiency and **improve the new Company water intensity score by 10% by 2025** vs. 2019 baseline
- Minimize negative environmental impacts, **harmful emission residues should be lowered** below a scientifically defined threshold by 2030

⁵GHG = Greenhouse Gas

⁶corresponds to ~30% of 2019 scope 3 emissions (current estimation incl. Versum Materials)



Enabling a sustainable future for an increasing number of people: Our contribution to the SDGs

3 Good health and well-being
With our products, we create a positive impact on the health and quality of life of people around the world.

8 Decent work and economic growth
We see it as our responsibility to respect human rights both within our company and along our supply chain. That is why we are dedicated to upholding appropriate and fair labor and social standards.

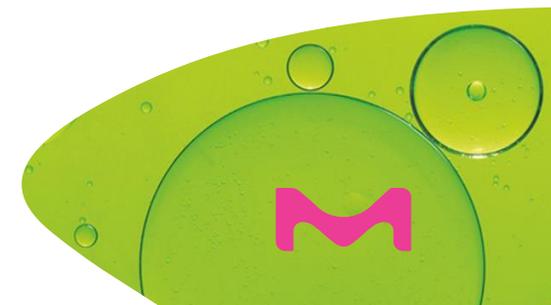
9 Industry, innovation and infrastructure
We use our expertise in science and technology to make our products, processes and infrastructure sustainable.



12 Responsible consumption and production
We use resources efficiently and reduce waste and emissions. We pay attention to this throughout the entire life cycle of our products.

17 Partnerships for the goals
We need strong partners in order to drive sustainable development within our company and beyond and to better meet societal challenges. We therefore collaborate with a wide array of organizations, companies, federations, and networks.

Additional contribution to:



Competitive advantages can result from our ESG strategy: Increase sustainable value for business and society

Business opportunities

- Develop a new range of sustainable products and services by harnessing our innovative strength
- Open up additional customer groups and expand regional reach

Operations

- Incentivize by integrating sustainability goals into reward schemes
- Increase attractiveness as employer
- Benefit from grants and reliefs
- Reduce costs of capital

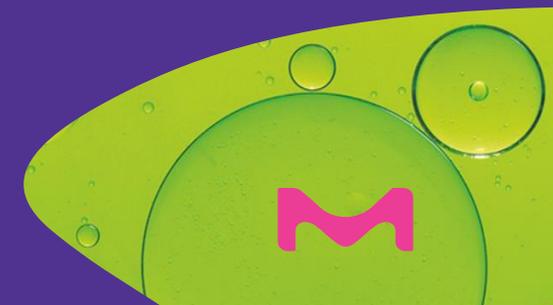
Risk management

- Reduce risks through greater awareness and longer-term view
- Secure supply chain resilience

Partnerships

- Contribute to customers' ESG strategy as supplier of choice
- Improve ESG impact of our suppliers
- Increase depth, meaning, and strategic focus of partnerships

Develop business models **generating growth** from innovative products & services and **ensure resilience** against major business challenges and disruptions.



Sustainable Business Value: a tool that enables us to calculate and evaluate our sustainability impact on society

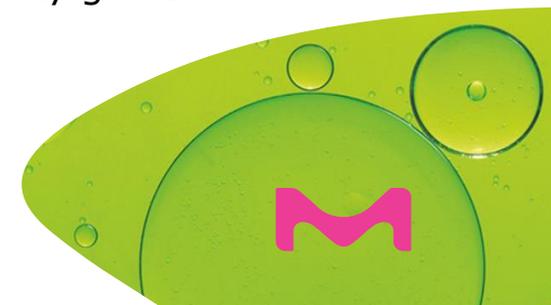


sustainable business value

- Quantifies impact of business activities in monetary terms across our value chain
- Considering both: Usual ESG parameters plus economic value, ethics, consumer well-being, and digitization
- **The assessed data helps us to evaluate sustainability initiatives across our business operations**

Example

- LC Windows keep the benefits of natural light while providing an indoor visual, privacy environment by shading
- Energy saving: reduced need of electric light and air-condition
- The SBV-method unveiled an even greater positive effect: By regulating light and temperature LC Windows reduce headaches and increase productivity: +4 days of productivity gained



Next steps towards achieving ESG targets

AGENDA 2020-2022

Analysis of requirements: Strategy, business, regulation, stakeholders

Develop SBV-tool² to measure product sustainability value

Link ESG¹ to board compensation

Build effective data platform for internal steering

Develop ESG-KPIs for reporting

Further incorporate ESG in R&D, controlling, M&A and supply chain

Decide on dedicated investments and initiatives to achieve targets



2030 targets

goal 01
Dedicated to human progress

goal 02
Creating sustainable value chains

goal 03
Reducing our ecological footprint



External stakeholders assess our engagement



As of 2020, Merck KGaA, Darmstadt, Germany received an **MSCI ESG* Rating of AAA.**

*Environment, Social, Governance



2021, we received an **ESG Risk Rating** of 19.5 and **Sustainalytics: low risk** of experiencing material financial impacts from ESG factors.



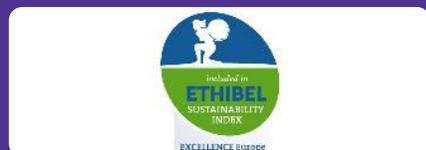
Since 2008, We are part of **FTSE4Good Index**, measuring the performance of companies with strong ESG practices (top 15).



In 2020, Merck KGaA, Darmstadt, Germany has once more achieved **prime status** by **ISS Oekom.**



In 2019, our share was again **included in STOXX Global ESG Leaders Index**, a sustainability index based on key environmental, social and governance criteria.



We have been **reconfirmed** as a constituent of the **Ethibel Sustainability Index (ESI) Excellence Europe** since May 2020, based on VigeoEiris.

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For the second time we received platinum status in 2021, among the **top 1% of companies.** **EcoVadis** annually examines ~75,000 suppliers from 160 countries.

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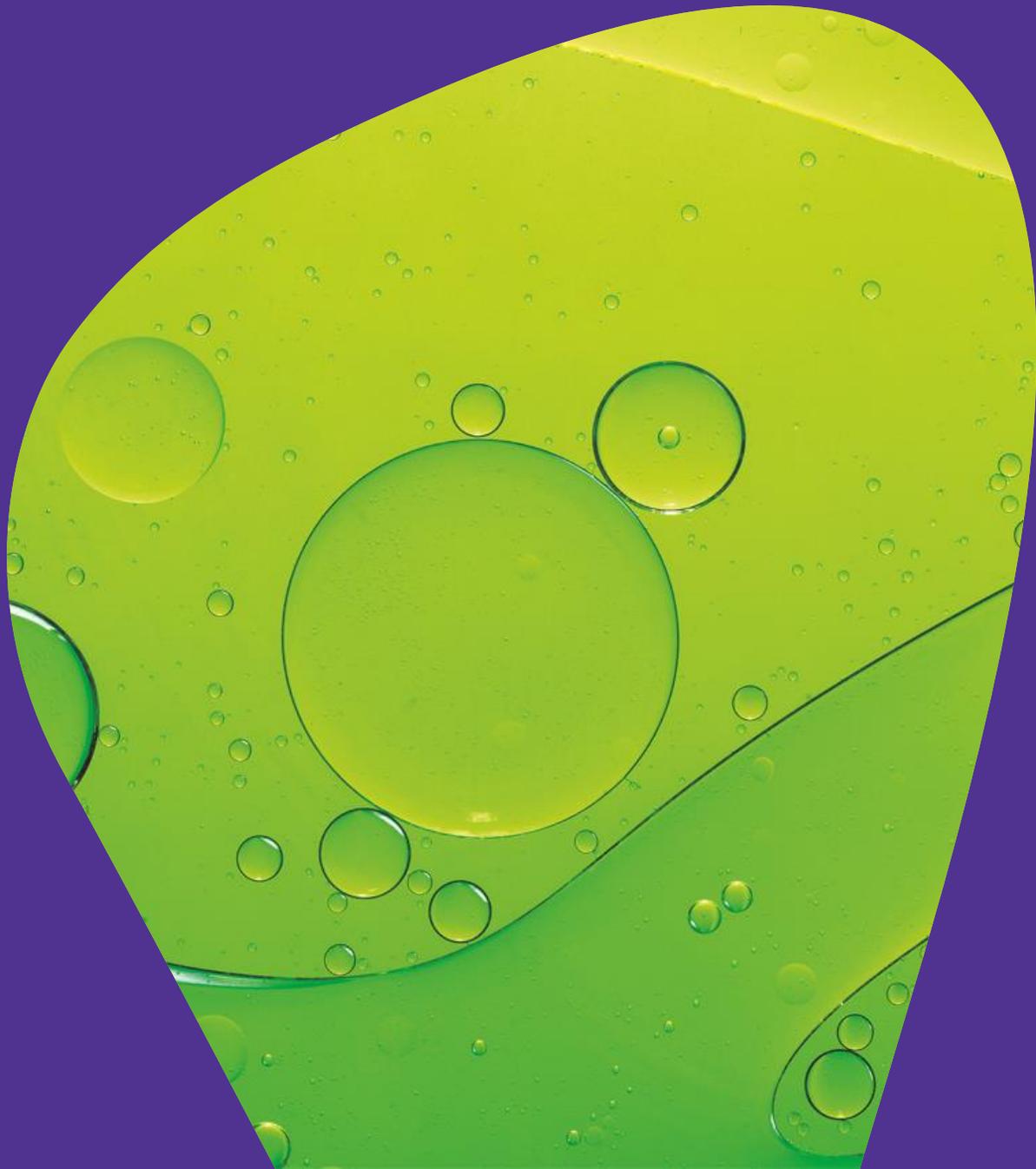


In the 2021 **Access to Medicine Index** we ranked **eighth place.** We were recognized for our performance in R&D, where we ranked fifth.



CDP Climate: In 2020, we scored **"B"** (2019: C). **CDP Water:** In 2020, we received a **"B"** (2019: B).





DEEP DIVE

Sustainability goals

Focus areas

Examples & initiatives

Sustainable innovations and technology for our customers

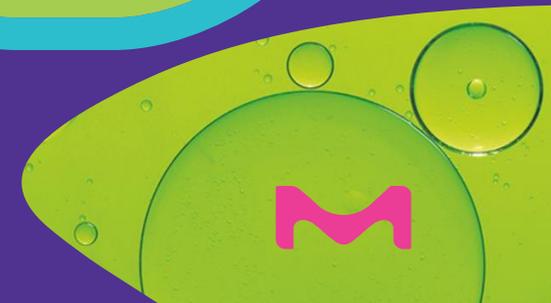
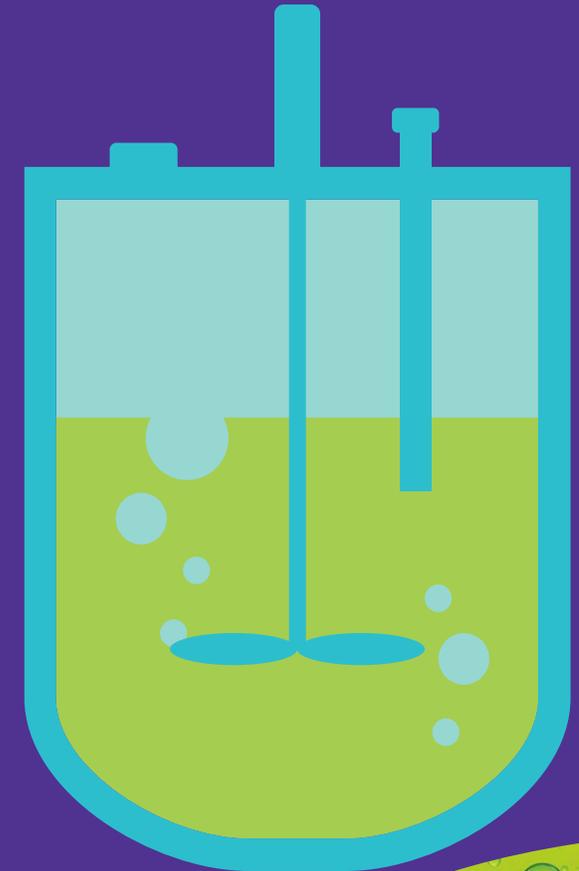
goal 01

dedicated to
human progress



We believe that we can harness science and technology to help tackle many global challenges.

- **Business models** are oriented to create business and societal value, from supplying innovative therapies and empowering scientists across the globe to advancing digital living
- Our goal is to ultimately **minimize negative sustainability impacts** during production and use phase
- We **help our customers to achieve their own sustainability goals** with our products, services and innovations



Reducing environmental impact throughout the product life cycle

➤ Program to foster sustainable product development



Design for Sustainability (DfS)

- With the DfS program, **we aim to reduce environmental impacts** of devices and instruments
- Also in the use phase and helping our customers make more informed decisions and surpass their own sustainability goals
- **Enables product developers** to analyze the impact of the product on the following areas: materials, energy and emissions, water, circular economy, suppliers and manufacturing, packaging, usability, and innovation (scoring system)

➤ Products and enabling tools for sustainable science and pharma

DOZN™ 2.0

- **Evaluates the relative “greenness”** of chemicals and chemical processes against the 12 Principles of Green Chemistry
- **Web-based quantitative tool** that allows users to increase their sustainability and to minimize adverse effects on human health
- **Enables us and our customers** to assess green alternatives: More than 1.100 alternatives to conventional products available

Examples

ZooMAb™

A new class of recombinant antibodies produced with minimal animal involvement, free of biocides and preservatives and storable at room temperature – saving energy and waste.

Stericup®E & Steritop®E

Our new filtration systems thread directly onto any media bottle, significantly reducing the use of plastic by **up to 48%** and packaging by **up to 73%**, and reducing biohazardous waste.

Cyrene™

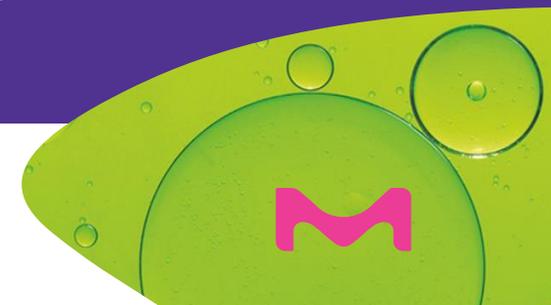
Our solvent Cyrene™ is derived from **renewable waste cellulose** and therefore safer and more environmentally sound than conventional petroleum-based solvents.



goal:

focus area:

Sustainable innovations and technology for our customers



Driving innovation towards sustainability

- **Innovation hubs** at our global headquarters in Darmstadt (Germany), China and Silicon Valley
- **Supported by experts** in business model design, business development, market research, and agile methodologies
- **Using digitalization** to boost innovation and technologies, supported by strategic partnerships
- Aim for new products or services to make a measurable **contribution to sustainability and our business** success once they have been launched

Examples

Bio-sensing and interfaces

Focusing on the interface between the biological and digital world, to utilize data analytics tools to enable faster and **more accurate (remote) monitoring and medical treatments** in numerous areas.

Cultured meat

This field concentrates on the biotechnology required to produce real meat grown in vitro. This is expected to enable the production of animal protein that is **healthier, more ethical and environmentally sustainable**



goal:

focus area:

Sustainable innovations and technology for our customers



Contributing to fight the global COVID-19 pandemic

Our Business:

- Supporting global COVID-19 vaccine and therapy response efforts
- Supplying **critical** raw materials, components, and manufacturing products for vaccine detection and characterization
- **Life Science** continues to **keep global supply chain operational** by implementing additional safety precautions to provide **indispensable** products and services to aid COVID-19 response

Collaborations:

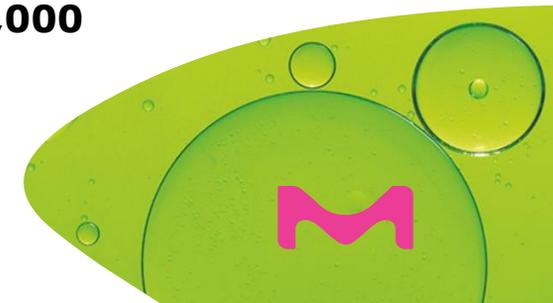
- Life Science supports more than **50 vaccine projects** worldwide and is collaborating with leading institutions, to speed up development, production & delivery of diagnostics and treatment
- Part of pharma and Life Science consortium together with the **Bill & Melinda Gates Foundation**

Research Grants:

- **2019:** €1 m Future Insight Prize for outstanding **research in field of pandemic preparedness**
- **2020:** up to €500,000 p.a. for 3 years and extension option for **technological solutions for pandemic outbreak preparedness** and fighting viral infections

Donations:

- **Up to 300,000 units of interferon (Rebif®) to WHO** for investigating COVID-19 treatment
- Produced and donated **245,000 liters of disinfectant**
- **2 million FFP2 masks** to local communities
- We doubled the donation of our employees to **Save the Children to a total of € 140,000**



Impact of our technologies and products on health and well-being

At least half of the world's population still does not have adequate access to health.

We strive to increase quality of life, healthy living and well-being.

- **Raise awareness** of diseases and help people learn how to manage and prevent them
- **Deliver innovations** in science and technology to resolve the big challenges of today and tomorrow
- **Leverage our expertise** from all business sectors and collaborate closely with a wide range of partners, also in low- and middle-income countries
- **Participate and drive** industry-wide initiatives to develop new approaches

goal 01

dedicated to
human progress



Transforming diagnostics and treatment

Anti-microbial resistance (AMR)

- There is a need for **collaborative, global efforts** by healthcare companies, academia and governments to create conditions which enable sustainable innovation and investment
- We are an original **member of the AMR Industry Alliance**, one of the largest private sector coalitions working to fight the global AMR crisis
- We joined the group of more than 20 biopharmaceutical companies that launched the **AMR Action Fund** in 2020, a ground-breaking partnership that aims **to bring 2-4 new antibiotics to patients by 2030**
- The Fund will provide **more than US\$1 billion** to support clinical research of innovative new antibiotics that are addressing the most resistant bacteria and life-threatening infections

Liquid biopsy

- **Less invasive and faster** tests based on bodily fluids rather than tissue biopsies to get detailed information about a patient's cancer
- Diagnostic tool that **allows doctors to better monitor** tumor response and adapt person's treatment
- **Accelerating the delivery of precision medicine:** Our scientists are actively pursuing cutting-edge research **programs** to identify and validate liquid biopsy tests that can identify which cancer patients may benefit from targeted drugs

access to
medicine
index

**Rank 8 in 2021:
Strong in R&D and IP**

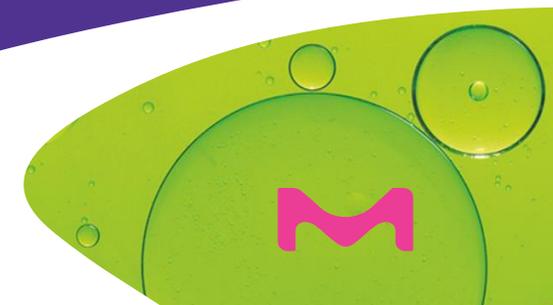
- 5th in R&D: Good Performance through the value of our innovative pipeline to which all our three business sectors contributed.
- Leader in IP: We share our proprietary library – e.g. for strategic collaborations to fight Covid-19 or for drug discovery to advance research in infectious diseases and publicly pledge not to enforce patents.
- Our multiple mechanisms ensure supply of medicines globally. We successfully donate in response to required needs and we perform high with our initiatives to strengthen capacity and systems in low- and middle-income countries.

goal:

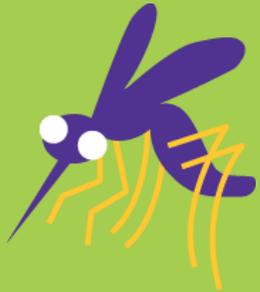


focus area:

Impact of our technologies and products on health and well-being



Preventing and treating infectious diseases: Our fight against schistosomiasis and malaria



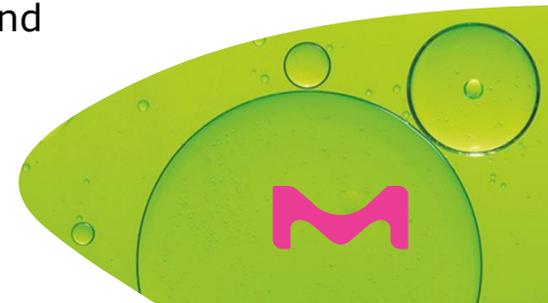
Fighting the most dangerous animal in the world: the mosquito

- We help to deliver sustainable health solutions against **malaria**, causing 200m cases and >400,000 deaths per year
- **R&D activities** for new **anti-malarial treatments**, incl. clinical development on an innovative drug (M5717) for prevention and treatment of the disease
- We help preventing the spread of malaria by demonstrating the efficacy of our **insect repellent IR3535®** - can be used for all age groups, excellent toxicological and eco-toxicological profile
- Supported by **education campaigns** on mosquito protection



Prevention meets medication:
Our goal is the elimination of schistosomiasis

- Almost 240 million infections and 200,000 deaths every year from the long-term effects of **schistosomiasis**
- Integrated strategy focusses on **treatment, sanitation and hygiene** (WASH), health education, R&D, as well as advocacy and partnerships
- **Donated over 1.3 billion tablets** to WHO
- Developed portfolio of **R&D projects**, including a new **pediatric formulation** of praziquantel, innovative drugs, sensitive diagnostics and new technologies for safe water access and for transmission control



Sustainability culture and values

Sustainability has been part of our company culture for centuries and is reflected in our values.

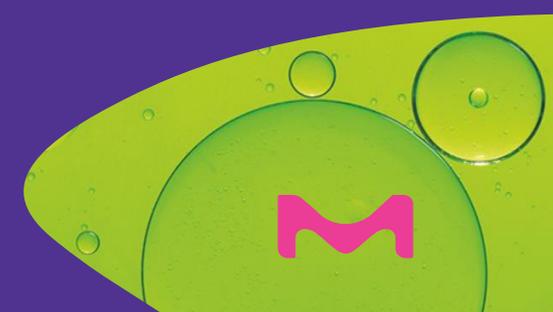
- To put this strategy into practice, we are focusing on **amplifying this aspect of our company culture**, including:
 - Educating our workforce on sustainability and create incentives to promote sustainability within our company
 - Planning to link the variable pay of the Executive Board with the progress made toward achieving the company's sustainability goals
- **Our mission is to help shape society**, not only through our products and technologies, but also through our community involvement. **We promote health and educational initiatives** – especially in the natural sciences – along with cultural programs
- We are convinced that the **diversity of our workforce** and our open, **international company culture** have a positive impact on the business success and innovative strength of our company

goal **02** creating sustainable value chains



In 2020,
we conducted
274
community outreach
activities
in **96**
countries

People from
141
nations
work for us
35%
of leadership roles
Group-wide
are occupied
by **women**



Sustainable and transparent supply chain

Our supplier management focuses on high-quality, delivery reliability, and competitive prices in addition to global compliance with fundamental environmental and social standards.

- Introduction and continuous improvement of relevant strategies, processes and guidelines to prevent violations of supply chain standards
- **We expect our suppliers to comply with standards** defined in our Responsible Sourcing Principles, which are derived from the core labor standards of the “International Labour Organization” and UN Global Compact
- **We are a member of the industry initiative Together for Sustainability (TfS)**, which uses self-assessments and shares audit results among all member companies

goal **02** creating sustainable value chains



Securing our social license to operate in all regions

We aim to mitigate the ethical, financial and societal risks of our business activities and in doing so, we advocate for and ensure our social license to operate.

- **Comprehensive structures and systems** to ensure compliance with legal requirements, along with ethical, social and ecological standards in all the countries where we operate
- In view of the dynamic environment of changes across all regions, **we pay special attention to regional aspects**
- **According to the Company Human Rights Charter**, oriented toward the UN Guiding Principles of Business and Human Rights, we are committed to ensuring that none of our business activities violates human rights within our sphere of influence

goal **02** creating sustainable value chains



Diversity & inclusion are key to foster sustainability while driving business success

35%

of leadership roles Group-wide are occupied by women (2020).

Making diversity a core pillar

- **21% women** in senior management
- **26% women** in middle management
- Maximizing **access to best talent**
- **Workplace flexibility** offered globally and being expanded
- We signed the **Women's Empowerment Principles (UN)**, to promote gender equality and women's empowerment in the workplace

~3.160

employees completed a training course on unconscious bias at work (2019).

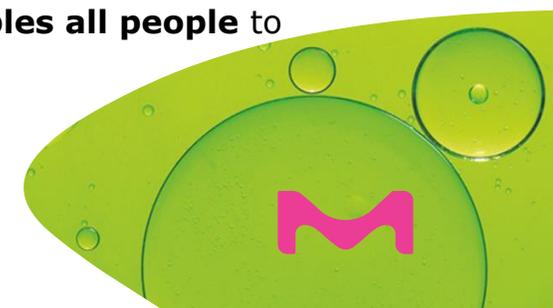
Rooting out unconscious bias

- Committed to creating an **inclusive culture** and promote learning about how unconscious bias influences us in daily working life
- Raise employee awareness of the topic by **Group-wide trainings and management education**
- **Understanding diverse customers & markets** with employee perspectives and local knowledge
- **Increasing inclusion** of under-represented minorities in **clinical trials**

Networks engage employees to create an **inclusive** environment.

Networks to bolster diversity

- Several thousands of employees are members of our local and **global employee networks**, including our women's networks and networks that advocate for the LGBTQI+ community, employees of various ethnic origins and international employees
- Networks for people with disabilities and veterans are under development
- We **encourage the formation of new networks** as the exchange with them
- Creating a work environment that engages & **enables all people** to contribute



Climate change and emissions



We are doing our part to help mitigate climate change because we believe that climate protection and energy efficiency will pay off in the long run – for both the environment and our business.

- Our climate actions:
- **Minimizing process-related emissions**
- **Cutting down on energy consumption** by improved energy efficiency
- Purchasing electricity generated from **renewable sources**
- **Shipping our goods by boat rather than plane** where feasible to keep the greenhouse gases arising from the transportation of our products as low as possible



Mitigate climate change



Achieved goal

- Our 2020 goal of **lowering our direct greenhouse gas emissions** (scope 1) **and indirect emissions** (scope 2) by 20% has been overachieved and we reduced those emissions **by 25%** from our 2006 baseline¹.



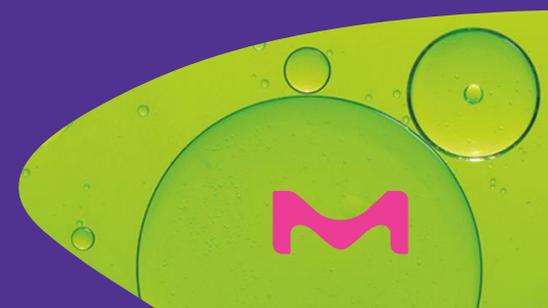
New goal

- We are aiming for **climate neutrality (scope 1-3) by 2040**
- **By 2030**, we intend to lower **our direct greenhouse gas emissions** as well as **emissions from energy purchases** (Scope 1 and 2) **by 50%** (2020 baseline).
- We aim to **source 80% of purchased electricity from renewable sources**.
- We plan to reduce **indirect greenhouse gas emissions** from the value chain (Scope 3) by 1,500 metric kilotons of CO₂ equivalents².

2040
climate neutrality

We are aiming for **climate neutrality by 2040** along the entire value chain.

This refers to scope 1, 2 and 3 emissions – Scope 3 refers to upstream and downstream value chains.



Water and resource intensity

goal **03** Reducing our
Ecological Footprint



We strive to use our resources as efficiently as possible. To this end we aim to conserve and recycle water and reduce waste.

- **Enhancing water efficiency at our production sites**
- **Minimizing environmental impacts from effluents**
beyond regulatory requirements
- **Reducing environmental impacts from waste**
by shifting to more environmentally friendly ways of waste treatment supported by the Merck KGaA, Darmstadt, Germany Waste Score
- **Promoting sustainable packaging strategy**
to save resources and prevent waste



Water stewardship to reduce water stress and pollution



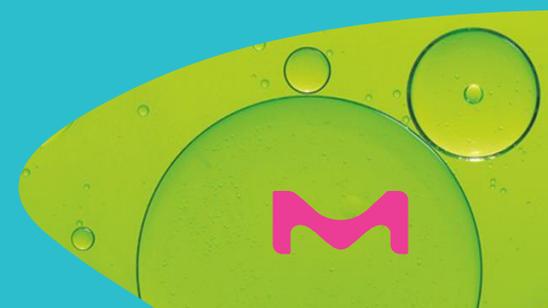
Achieved goal

- By 2020, we cut our water use at **seven sites located in areas of high water stress by 27%** compared with 2014, surpassing the original target of 10%.
- By 2020, all our production sites successfully implemented a **sustainable water management system**.



New goal

- Enhancing water efficiency and **improve the new Company water intensity score by 10%** by 2025 vs. 2019 baseline
- Minimize negative environmental impacts, **harmful emission residues should be lowered** below a scientifically defined threshold by 2030



Waste and recycling

Goals and achievements



current goal

- Based on the Company Waste Score, we have set ourselves the goal of **reducing the environmental impact of our waste by 5% by 2025** compared with 2016
- **By end of 2020, we achieved a reduction of 4.6%**



2016



2020



2025

Example: From waste to energy

- Since 2020, our site in St. Louis, U.S., **has been sending most of its waste to a remote Waste to Energy (WtE) facility**, instead of to a nearby landfill
- WtE facilities **convert waste into energy by generating steam**, which drives turbines to generate electricity. Harmful gases are filtered out, the remaining material is sorted to recover recyclable metals
- Despite the distance of transporting the waste, **the environmental benefits of WtE** prevail:
 - **Reduction of CO₂ emissions** from waste **by 89%**, equal to 287 metric tons of CO₂ per year
 - **Reduction of waste score by 20%**

Reduce the impact on the environmental footprint of our products by improved packaging

SMASH packaging: We are working to find new ways of making our Life Science products and packaging more environmentally sustainable, while still getting them to our customers in a safe and timely manner.

Shrink – reduce amount of packaging

- Eliminate the use of packaging that is excessive in size or weight, helping to reduce our use of natural resources, lower our energy use and decrease our transport emissions.

Switch – improve plastic sustainability

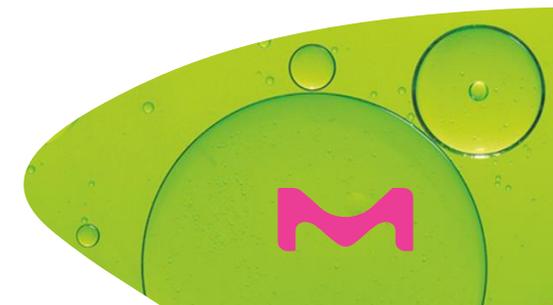
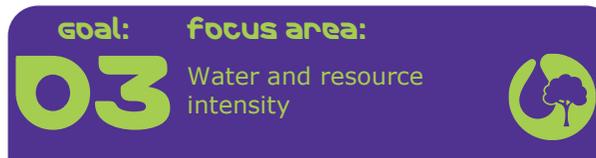
- Improve the sustainability and recyclability of our plastic packaging, also by using healthier, more sustainable materials and more recycled content.

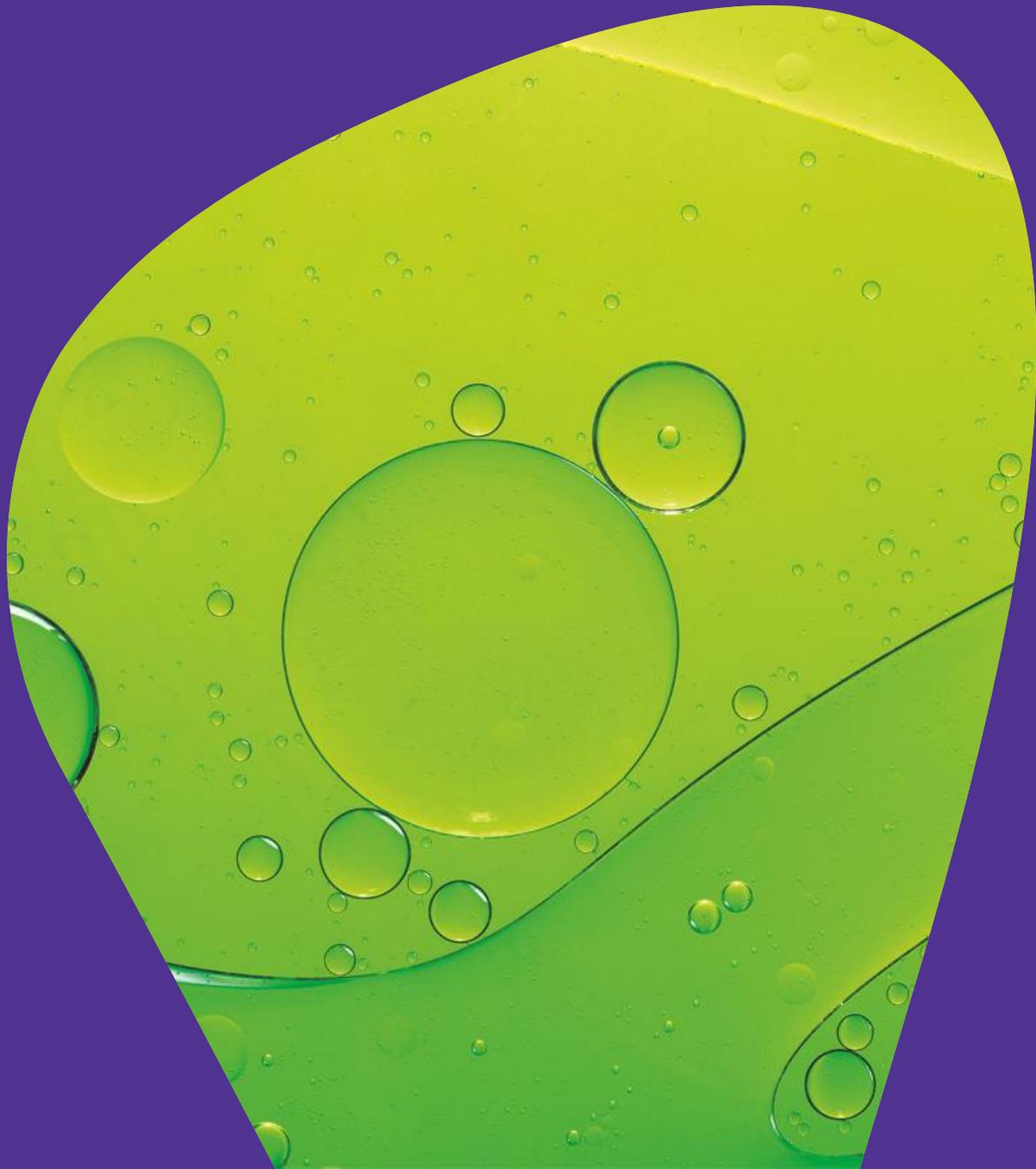
Save – maximize recycling

- Maximize recycling of our packaging materials by eliminating the use of packaging materials that are not recyclable and by providing our customers with recycling guidance for all our packaging materials.

Secure – achieve zero deforestation

- Ensure that the wood- and fiber-based packaging materials used in our packaging do not contribute to deforestation.





GOVERNANCE DETAILS

Governance

Merck KGaA, Darmstadt, Germany's ownership structure

Shareholder of Merck KGaA, Darmstadt, Germany

- Shareholders hold ~30% of Group's total capital
- Share capital is divided into 129,242,252 bearer shares and one name share without nominal value
- Listed at the German Stock Exchange's Prime Standard, member of the DAX 30.
- Only the bearer shares are entitled to vote at Company's Annual General Meeting: **one share, one vote.**

Supervisory Board

- Its Chairman leads the AGM, representing the interests of Company's shareholders:
- Approving the financial statements of the Company
- Working together with Executive Board, receiving reporting on progress regarding business and financial development at the Company, Containing 16 members: **8 employee representatives, 8 independent representatives** (2 family representatives and 6 elected shareholder representatives)
- 2 committees: **Nomination and Audit Committee**

Nomination Committee
Defines criteria and makes proposals for new candidates

Audit Committee NEW
Control systems, external auditing, financial statements

Finance Committee
financial statements, external auditing

Personnel Committee
Executive board members, contracts, compensation

R&D Committee
research activities of all sectors: HC, LS, EL



E. Merck KG, Darmstadt, Germany : Partners' Meeting & Family Board

- E. Merck KG, Darmstadt, Germany (99.9% Family) holds ~70% of Company's total capital
- These 70% of the total capital are **not entitled to vote** at Company's AGM
- A Family Board represents the entrepreneurial interests of the Family (elected by partners' meeting)

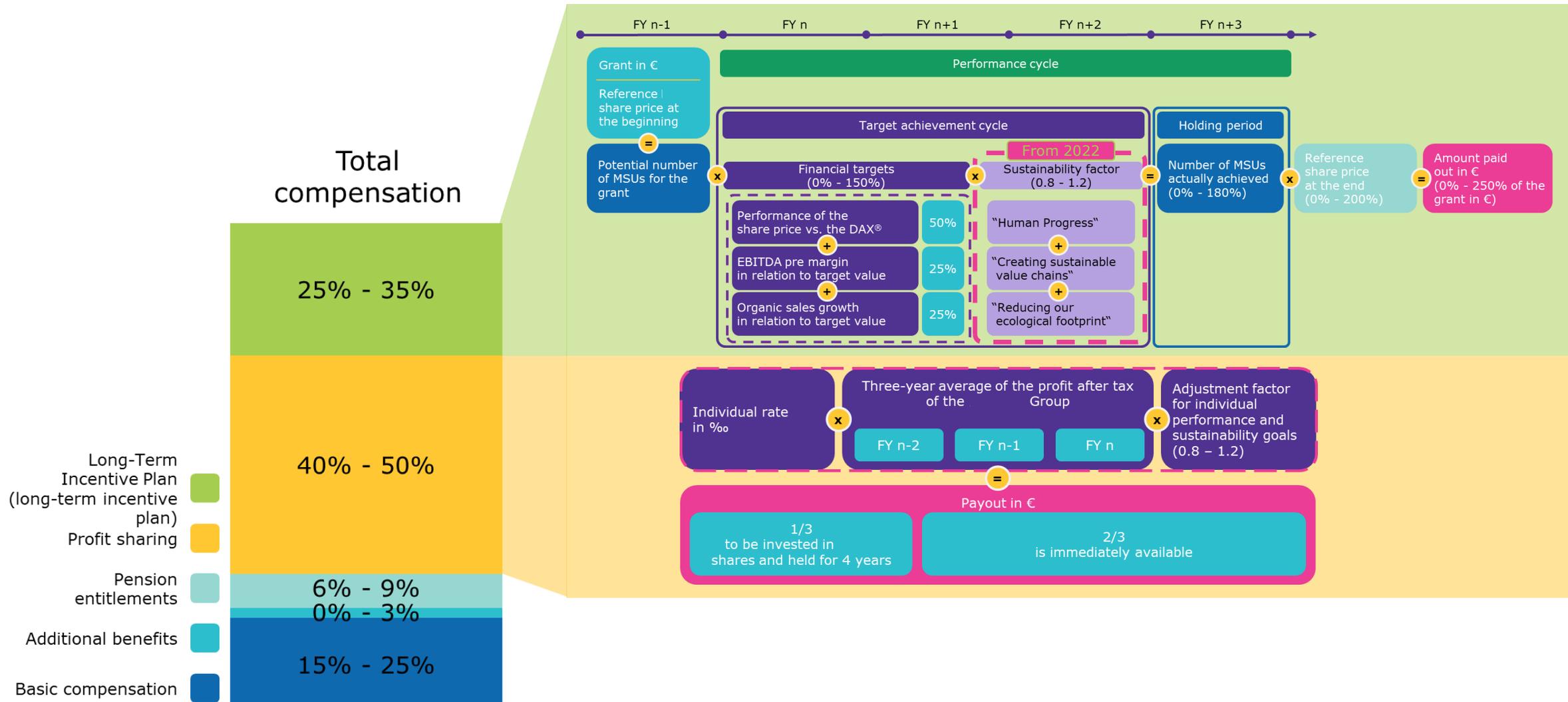
Board of Partners

- Elected by the Family Board, and taking over some duties of a usual Supervisory Board:
- Appointment, dismissal and supervision of Executive Board members of Merck KGaA, Darmstadt, Germany
- Granting approval of extraordinary business transactions and approves the annual financial statements of E. Merck KG, Darmstadt, Germany
- It contains **5 members of the Family Board and 4 external members** of the business community
- 3 committees: **Finance, Personnel and R&D Committee**



Governance

Executive compensation from 2021/2022



Governance

How ESG is embedded in our governance



Governance

Policies & Principles

Our corporate responsibility is reflected in our reporting. We provide our [CR reports](#) as well as general guidelines, regulations, policies and ISO certificates for you to download

General conducts and policies

- [Our Human Rights Charter](#)
- [Our Code of Conduct](#)
- [Social and Labor Standards Policy](#)
- [Transparency in Healthcare according to the EFPIA Codes](#)
- [Use, Care and Welfare of Laboratory Animals](#)
- [Use and Handling of Nanomaterials](#)
- [Stipulations to promote the percentage of management positions held by women](#)
- [EHS Policy](#)
- [Disaster Relief Policy](#)

Iso certificates

- Certificate DIN EN ISO 9001:2015
- Certificate IQ-Net ISO 9001:2015
- Certificate DIN EN ISO 14001:2015
- Certificate IQ-Net ISO 14001:2015
- ISO 18001 certificate (DQS GmbH)
- ISO 18001 certificate (IQ-Net and DQS GmbH)
- ISO 50001 Certificate
- Registrar Confirmation Letter ISO 9001, 14001 and 45001 Versum Materials (English)
- Registrar Confirmation Letter ISO 9001, 14001 and 45001 Merck KGaA, Darmstadt, Germany (English)

Other principles and documents

- [Our Responsible Sourcing Principles](#)
- [CDP 2019 Water 2019 Information Request](#)
- [CDP 2019 Climate Change 2019 Information Request](#)
- [Stem Cells Principle](#)
- [Mica Supply Chain](#)
- [Genome Editing Principle](#)
- [Fertility Principle](#)
- [Investigator Sponsored Study Principle](#)
- [Our Tax Strategy for the UK](#)

Charter on access to health in developing countries

- [Our Approach](#)
- [Pharmaceutical Products and Donations](#)
- [Fake Medicines](#)
- [R&D for infectious diseases](#)
- [Pharmaceutical Product Pricing](#)
- [Intellectual Property](#)
- [Healthcare Position Statements](#)



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