



sustaining life for generations

**Sustainability at Merck KGaA, Darmstadt,
Germany**

Belén Garijo, CEO

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strategy & AMBITION

Sustainability strategy
Sustainability goals
Focus areas



Scientific exploration and responsible entrepreneurship: Caring, pioneering and outperforming

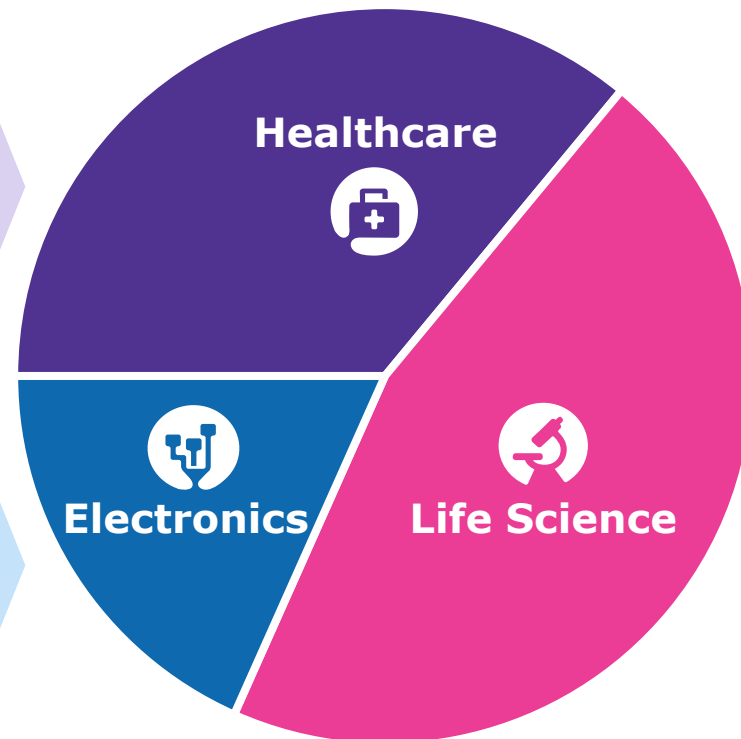
MERCK

Healthcare

- In line with our motto "As One for Patients", we help create, improve and prolong lives.

Electronics

- We are the company behind the companies advancing digital living.



Sales Split 2021

Our ambition is to become the global 21st century **science & technology pioneer** by

- mobilizing for efficient growth
- leveraging innovation in the "Big 3"¹
- driving culture & leadership
- focusing on sustainability

Life Science

- We solve the toughest problems in life science by collaborating with the global scientific community.



Successful business with positive impact on environment and society

Supervision, steering and consulting

Executive Board, Supervisory Board, Sustainability Board (int.), Sustainability Advisory Panel (ext.)

Sustainability in all functions

- R&D
- Production
- Supply Chain
- Controlling
- Risk Mgmt.
- M&A
- Finance
- Tax
- Reporting

Reduce our negative impact

- Direct (Group operations)
- Indirect (suppliers & customers)

Help customers to reduce negative impact

- Sustainable Products from Life Science & Electronics

Improve our positive impact

- Progress for people: Healthcare products

Help customers to improve positive impact

- Progress for people: Life Science & Electronics products

Greener Products & Operations

- Enabling customers with greener products
- Tackling challenges in global health
- Be and use responsible supplier

ESG Ratings

MSCI AAA, Sustainalytics "Low Risk", ISS ESG B-, CDP B/A-



We are committed to 3 overall sustainability ambitions

1

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



2

Creating sustainable value chains

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

Our focus areas



Sustainability culture and values

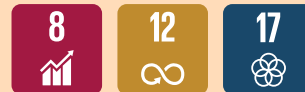


Sustainable and transparent supply chain



Securing our social license to operate in all regions

Focus SDGs



3

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



Group sustainability strategy: Deep dive into strategic focus areas

Sustainability innovation and technology for our customers

- Sustainability as integral part of **product design**
- Enable **customers** to reduce sustainability footprint
- SBV as a tool to assess net sustainability **impact**

Health and wellbeing impact of our technologies and products

- Health (Healthcare, Life Science) & wellbeing (Life Science, Electronics)-related impact of:
 - Company **products**
 - Company's **activities**

Climate change and emissions

- **Greenhouse gas emissions** Scope 1, 2, 3
- **Renewable energy**
- **Energy efficiency** in operations



Sustainability culture & values

- **Diversity & inclusion** activities
- Sustainability **mindset**: Communication, trainings, incentive schemes
- **Employee engagement**

Sustainable and transparent supply chain

- Supply chain management activities:
 - Sustainability **assessments**
 - Supplier **data management**

Secured social license to operate across regions

- **Safe & ethical** research, **ethical & compliant** business conduct
- **Plant & process** safety, **patient & product** safety
- **Stakeholder** engagement & communication

Water and resource intensity

- **Waste & water** management and **recycling**
- **Circular** activities



Enabling a sustainable future for an increasing number of people: Where we can make the biggest difference



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.



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.



Industry, innovation and infrastructure

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

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.

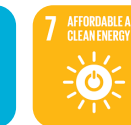


Partnerships for the goals

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.

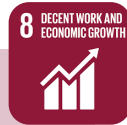


Additional contribution to:



Accelerated science & tech leadership driving growth and sustainability

Economic growth
can drive progress, create decent jobs and improve living standards



19.7 bn Net sales¹ **6.1 bn** EBITDA pre¹



59,000 Employees¹ **36%** Women in Leadership¹



142 Nationalities **66** Countries

Good health & wellbeing
at all ages and regions is essential to build prosperous societies



~165 Mio patients treated with our HC products¹



1.5 bn tablets donated against Schistosomiasis since 2007¹



2.4 bn R&D investment in HC, LS and EL¹



50+ Covid-19 vaccine projects supported

Responsible consumption & production
decoupling economic growth from environmental degradation



-50% scope 1+2 emission until 2030, **climate neutrality 2040**



-10% water consumption considering water-stress areas until 2025

2021: All environmental targets on track



-5% waste score until 2025



80% Coverage of electricity purchases by renewable sources by 2030





IMPACT on people

Goals
Targets
Initiatives



Goal 1: Dedicated to Human Progress

Sustainable innovations and technology for our customers

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



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.

Indicators:



- People treated with our Healthcare products¹

2020: **182.5** million people

Outlook 2022:

- People benefitting from our sustainable technology
- Percentage of newly published patent families with positive sustainability impact

Initiatives:



Novel Modalities:
mRNA

Access to Medicine

Expand clinical trial
excellence

Design for
Sustainability

Product Safety

R&D sustainability
scorecard

Fighting malaria &
schistosomiasis



Access to Health – a focused leadership approach

- **Go faster:** Ensure launch & access plans
- **Go wider:** Increase number of LMICs with availability
- **Go deeper:** Expand awareness, affordability and capacity
- **Go smarter:** Improve efficiency through precision mapping and innovative financing

Access and fair pricing of medicines

- **Pricing schemes** to serve low-income patients
- Affordable **second brands** and branded generics
- Patient Access Programs incl. **financial assistance and donations**
- Participate in **government tenders** for public hospitals serving LMIC patients
- **Education and prevention** programs for patients and health systems
- **Collaboration** with payers like health insurances
- Various product- and **market specific reimbursement** and contracting models

access to
medicine
index

**Rank 5 in 2022:
Strong in R&D and IP**

- We ranked fourth in R&D: Our innovative pipeline in HC and LS addresses high unmet needs of LMICs. We ensure launch and access plans for sustainable and equitable access to our medicines by patients in LMICs. In addition, we are recognized as leaders not only in R&D know-how initiatives in and for those countries.
- We perform well in IP by sharing compounds from our proprietary library with third-party researchers in LMICs and publicly pledge not to enforce patents.

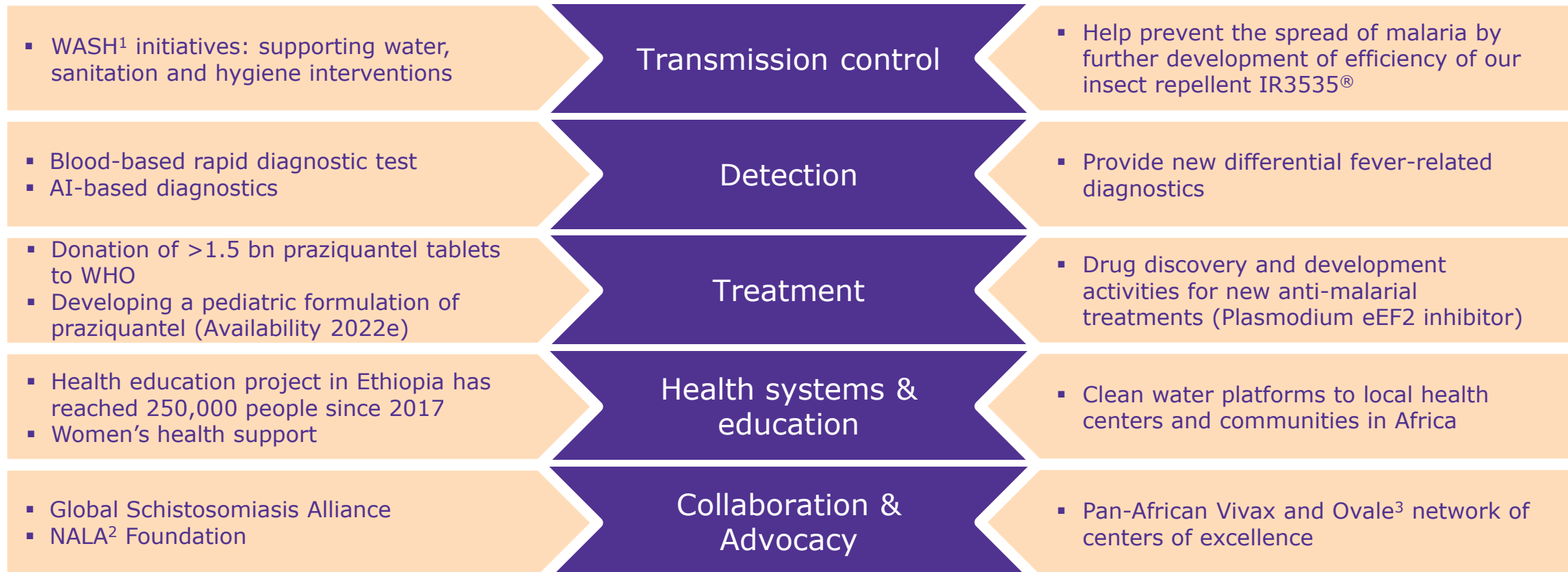


Integrated strategies to fight schistosomiasis and malaria

We aim to **eliminate** the worm disease **schistosomiasis**



We help deliver integrated **health solutions against malaria**



Product portfolio shift to increase positive sustainability impact



Using our **innovation power** to support sustainability goals of

- Group
- our customers
- society

2022 R&D initiative – Rollout of **R&D Sustainability Scorecards** across all sectors

+30%
“greener alternative” products in Life Science in 2021¹



R&D prioritization for products with positive sustainability impact

Resulting in more sustainable operations and products

Dedicated to human progress 1

Progress through sustainable science & technology by 2030

3 8 9 17

Creating sustainable value chains 2

Sustainability in supply chain and operations by 2030

8 12 17

Reducing ecological footprint 3

Achieving climate neutrality by 2040

9 12 17



Life Science: Enabling our customers to reduce environmental impact



➤ 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

>1,400
greener alternative products → ~30% increase in 2021

Examples

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 69%**, and reducing biohazardous waste.

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.**

Cyrene™

Our solvent Cyrene™ is derived from **renewable waste cellulose** and therefore safer and more environmentally sound than conventional petroleum-based solvents. First-in Class USDA Certified Biorenewable Solvent Portfolio worldwide! **225 kt** of toxic DMF could be replaced by Cyrene every year.



Electronics: Safety and sustainability for our customers

➤ Going green in the semiconductor production

Green solvents

- Need for various wet chemicals in semiconductor and microchip manufacturing in high amounts
- New solvents use green ingredients that are less harmful to human beings, and require much less for their use: TMAH- and DMSO-free
- Dissolve the photoresist entirely rather than lifting it off the chip means the process is both quicker and more effective
- Reducing the total amount of chemicals used significantly

Avoid solvents

- CHEMGUARD CG600: Model for high flow rate delivery of tetrakis(dimethylamido)titanium (TDMAT)
- This product complements our existing TDMAT technology with remote bulk chemical delivery to meet the ever-increasing flow rate and availability requirements of our customers with modern technology nodes
- Eliminates the need to use solvents
- The first container changes were successfully completed - much faster than expected: Time required for container changes has been significantly reduced



Avoid waste through laser marking

- Packaging is considered the main cause of waste, but plays an important role for manufacturers and retailers
- Laser marking by laser sensitive pigments provides a permanent and durable mark within the polymer without introducing additional materials into the recycling process
- Laser marking eliminates the need for non-sustainable and solvent-based inks, as well as paper and plastic labeling materials
- More so, laser marked product containers are more readily recyclable in standard materials recovery facilities



Community engagement

Our community engagement activities 2021:



Our employees were engaged in around **26%** of the projects.

1,100 employees volunteered **5,300** hours
 Our employees receive up to two days of paid leave per year to take part in volunteer activities.

➤ Supporting the communities in which our sites are located

- In designing our projects, we are guided by
 - Group Policy on Contributions to Society
 - Access to Health Charter
 - WHO guidelines for medicine donations
 - Corporate Volunteering Guideline
- In 2021, we supported 255 projects in 99 countries in the fields of "Health", "Education & culture", "Environment" and "Disaster relief"
- Volunteering initiatives as well as monetary (50%) and product donations (48%): € 43 million in 2021





Impact on Nature

Goals
Targets
Initiatives



Goal 3: Reducing our ecological footprint

Doing our part to help mitigate climate change

Climate protection and energy efficiency will pay off in the long run – for the environment and our business.



Striving to use our resources as efficiently as possible

We aim to conserve and recycle water and reduce waste.

Indicators:



- GHG emissions scope 1+2¹:
-50% by 2030
2021: **1,843 kt** (2,028 kt)
- GHG emissions Scope 3
- Purchased electricity from renewable sources
- Waste Score
Outlook 2022:
- Water Intensity Score
- Wastewater quality

Initiatives:



Renewable energy,
VPPA

Use technical
solutions to reduce
scope 1 emissions

Recycling
programs

SMASH packaging
program





Waste Water
assessment of
relevant plants

Guideline for
Capex process

Supplier
Decarbonization

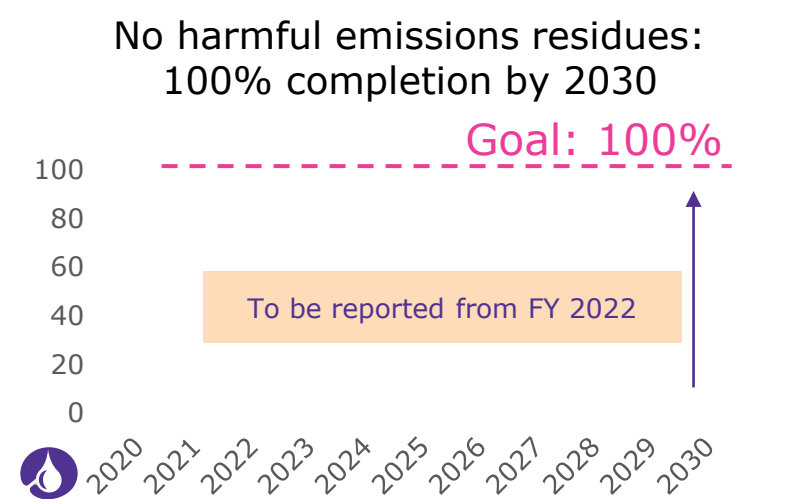
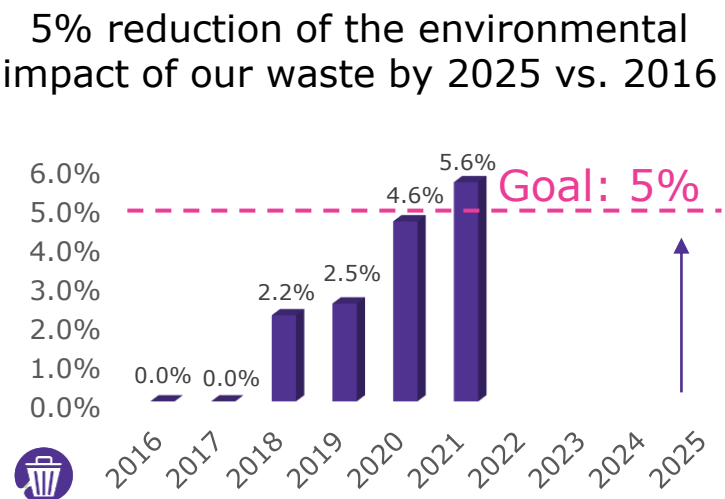
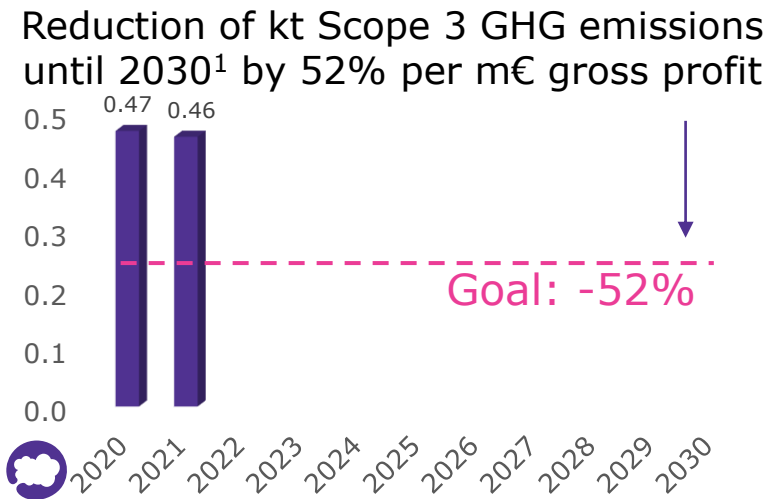
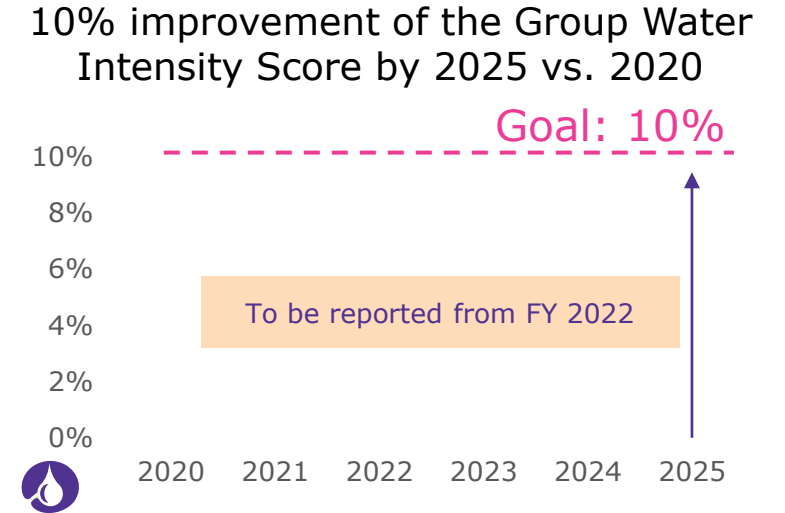
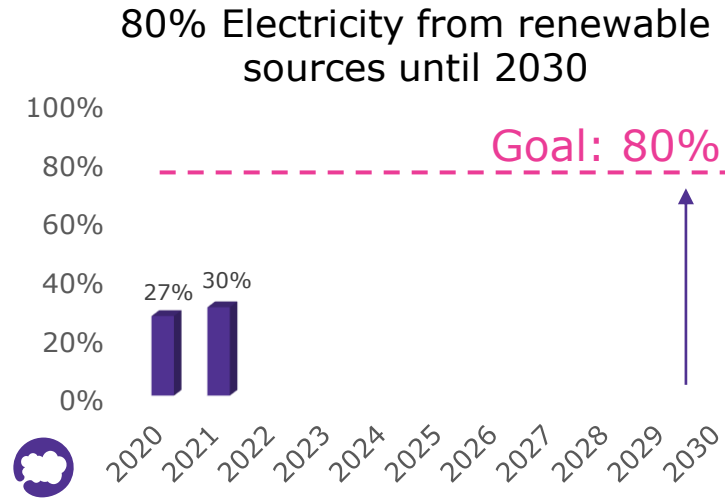
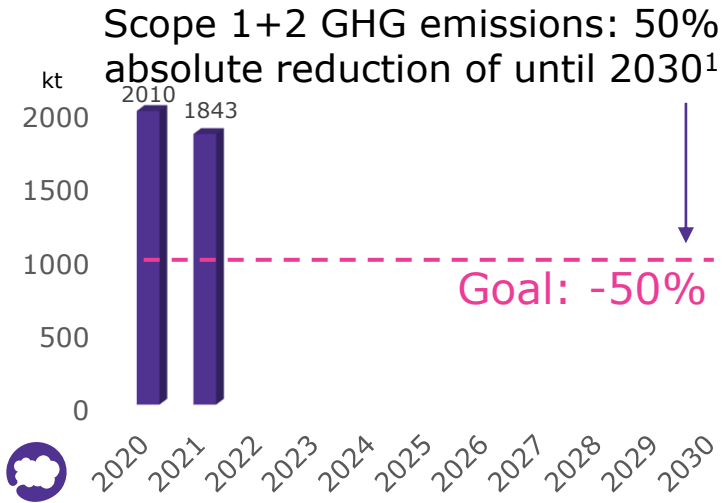


Reduce our environmental footprint: Emissions, Water and Waste

| Goal 3 |  Climate neutrality by 2040 |  Enhance water efficiency & purity |  Reduce waste impact |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Target | <ul style="list-style-type: none"> Lower scope 1+2 GHG³ emissions by -50%⁴ cover 80% of our purchased electricity with renewables by 2030 Intensity reduction of Scope 3 per € gross profit by 52% until 2030⁴ | <ul style="list-style-type: none"> Enhancing water efficiency: improve Group water intensity score by -10% by 2025⁴ Harmful emission residues should be lowered below a scientifically defined threshold by 2030 | <ul style="list-style-type: none"> Based on the Group Waste Score, we have set ourselves the goal of reducing the environmental impact of our waste by -5% by 2025 compared to 2016 |
| Status | <ul style="list-style-type: none"> ➤ Scope 1+2: 1,843 kt¹ (2,028 kt²) ➤ Renewable energy: 30%¹ (27%²) ➤ Scope 3: 5,716 kt¹ (5,030 kt²); emissions/profit ratio: 0.46¹ (0.47²) ➤ Scope 1-3 targets approved as Science Based Targets  | <ul style="list-style-type: none"> ➤ 2025 target achievement will be reported from fiscal year 2022 onwards ➤ 2020 target of -10% water use in stressed areas has been overachieved: -27% | <ul style="list-style-type: none"> ➤ Reduction of waste impact (Group Waste Score): -5,6%¹ (-4,6²) |



Environmental targets




¹vs. 2020 base year



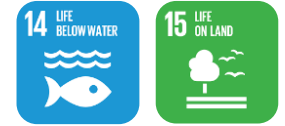
Group is committed to achieving climate neutrality by 2040 – net-zero target under evaluation



| | SBTi ¹ near-term target 2030 | Climate neutrality target 2040 | SBTi ¹ Long-term net-zero target 2050 |
|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|----------------------------------------------------------------|
| Scope | Effect of all reportable greenhouse gas emissions ² | Effect of all reportable greenhouse gas emissions ² | Effect of all reportable greenhouse gas emissions ² |
| Abatement | <p>Scope 1+2 ambition</p> <p>Absolute reduction of Scope 1+2 GHG³ emissions by 50% (vs. 2020)</p> <p>Scope 3 ambition</p> <p>Intensity reduction of kg Scope 3 GHG³ emissions per € gross profit by 52% (vs. 2020)</p>  | Continue ambitious abatement pathway for all three scopes beyond 2030 targets | Aim on absolute reduction across all three Scopes ≥90% |
| Compensation | Optional | Offset residual emissions | Offset residual emissions via carbon removal |
| | Confirmed | Confirmed | Under evaluation |



Turn the impact on biodiversity from negative to positive



| Influence on conservation of ecosystems | | Group's impact today | Group's targets and actions supporting the general principles of the <i>Convention on Biological Diversity</i> | Group's long-term ambition |
|-----------------------------------------|----------------------------------------------------------|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| Indirect | Stable climate Clean Water Clean Soil Clean Air | | <ul style="list-style-type: none"> Reduce emissions to support 1.5°C warming limit Aim for climate neutrality 2040 Counteract water scarcity and zero harmful emissions Avoid waste, reduce landfill, foster recycling ➤ Innovate: Green and safe chemistry initiatives | |
| | Availability of habitats | | <ul style="list-style-type: none"> Reduce landfill (Company waste score) Manage ecosystems on production sites ➤ Innovate: e.g. Cultured meat | |
| | Preservation of species | | <ul style="list-style-type: none"> Adhere to Nagoya Protocol Conduct species conservation assessment ➤ Innovate: e.g. Northern White Rhino | |



Circular Economy: Using smart ideas to save resources



Key Principles:

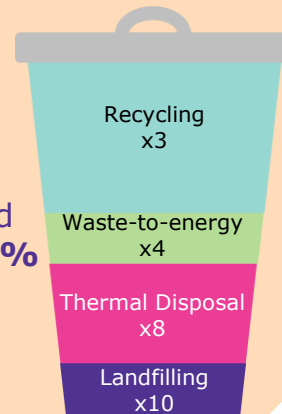
- Design out waste and pollution
- Keep products and materials in use
- Regenerate natural systems



Group contribution areas:

- Smart product design
- Responsible sourcing and consumption
- Life-cycle management
- Packaging and recycling

Group Waste Score:
Reduced by **-5.6%** since 2016



SMASH Packaging

We are aiming to **lower our Waste Score**, our key waste management indicator, **by 5% by 2025** (2016 baseline) focusing on priorities

Single-use product recycling

- **Prevention**
- **Recycling**
- **Waste to energy**

Decarbonization of supply chain (SBTi)

Solvent recycling program

Reusable packaging

Zero landfilling activities

DELTA

Despite our strong economic growth in 2021 we were able to keep our **recycling rate¹** stable at

69%



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.

12
∞

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.



Our 2022 targets:

- 90% of existing packaging aligned with our zero deforestation standards
- 20% reduction of air space in distribution boxes
- 20% reduction of Expanded Polystyrene (EPS)
- 100% of unrecyclable fiber-based packaging is replaced





GOVERNANCE

Targets & numbers
Reporting
Risk Management
Supply Chain
Policies
Ratings



Goal 2: Creating sustainable value chains

Amplifying sustainability in our company culture

Education and planning to increase employee engagement and diversity & inclusion activities.



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.

Indicators:



- Suppliers covered by valid sustainability assessment¹
21% (number) / **65%** (volume)
- Other:
- Women in leadership
- Sustainability trainings
- EHS incident rate
- Violations of Social & Labor Policy
- Lost time injury rate

Initiatives:



Cascade new DE&I aspirations into the organization

Supplier Sustainability Assessments

Sustainability trainings for employees

Establish product carbon footprint data base

Decarbonization of supply chain

Prepare for German Supply Chain Due Diligence Act

Sustainability partnerships with customers



Improved transparency on sustainability following major standards



Clear metrics to drive execution and progress towards 2030 ambition

| Goal | Metric | 2021 (2020) | Target |
|------|-----------------------------------------------------------------------------------|---------------------------------------------|----------------------------------------|
| 1 | Percentage of newly published patent families with positive sustainability impact | from 2022 | n.a. |
| | People treated with our Healthcare products* | 165 mio (183 mio) | 1 bn people ambition ¹ : HC |
| 2 | Percentage of women in leadership positions | 36% (35%) | Gender parity by 2030 ² |
| | Percentage of employees trained on sustainability | from 2022 | n.a. |
| | Percentage of relevant suppliers covered by valid sustainability assessment* | 21% ^{3a} /65% ^{3b} (n.a.) | visible increase by 2024 ³ |
| | Environment, Health and Safety (EHS) Incident Rate | 3.9 (3.4) ⁴ | As low as possible |
| | Violations of Global Social and Labor Standards Policy | 41 (29) ⁵ | n.a. |
| | Lost Time Injury Rate (LTIR) | 1.2 (1.3) | <1.0 by 2025 ⁶ |
| 3 | Greenhouse gas emissions Scope 1+2* | 1,843 kt (2,028 kt) | -50% by 2030 ⁷ |
| | Scope 3 intensity: kg Greenhouse gas emissions per € gross profit | 0.46 (0.47) | -52% intensity by 2030 ⁸ |
| | Percentage purchased electricity covered by renewable resources | 30% (27%) | 80% by 2030 |
| | Group Waste Score (WS) | -5.6 (-4.6) | -5% by 2025 ⁹ |
| | Group Water Intensity Score (WIS) | from 2022 | -10% by 2025 ¹⁰ |
| | Wastewater quality: no harmful emission residues | from 2022 | 100% completion by 2030 ¹¹ |

*LTIP relevant

¹92 mio HC + 91 mio Prazi in 2020

²considers room for non-binary people

³by a)number, b)purchase volume

⁴incidents + severity vs. man-hours

⁵confirmed violations

⁶accidents with min. 1 day of missed work per 1 mio. man-hours

⁷vs. 2020 2,028 kt CO₂e

⁸vs. 2020 0.48 intensity ratio (kg scope 3 emissions per € gross profit)

⁹vs. 2016 WS 443

¹⁰vs. 2020 (updated) WIS considering local availability of water and no. of man-hours

¹¹below scientifically defined threshold





Diverse human capital: Thinking, talking, and leading differently

| Focus areas | Indicator | Status 2021 (2020) | Aspirations |
|---------------------|--------------------------------------------------------------------------------------|--------------------|--------------------------------------|
| Gender | Percentage of women in leadership globally | 36% (35%) | Gender parity until 2030 |
| Culture & Ethnicity | Percentage of underrepresented ethnic colleagues in US leadership | 21% (20%) | Increase to 30% until 2030 |
| | Percentage of nationals from Asia, Latin America, Middle East & Africa in leadership | 16% (16%) | Increase to 30% until 2030 |
| Inclusion | Inclusive Leadership Programs and participation of leaders across all business | 37% | Participation of all leaders by 2026 |

<1.5%
adjusted¹ gender pay gap²

¹ The estimated difference in pay after accounting for differences in actual pay that are due to legitimate reasons (source: Mercer)
² End of year 2021 data



Sustainable Business Value (SBV): Measuring impact of action



assess dimensions along entire value chain*



First use cases across B2C & B2B calculated, e.g.

Liquid Crystal Windows

Maintain the **benefits of natural light** while providing indoor privacy on demand as well as shading.

Schistosomiasis Elimination Program

Provide up to 250 million praziquantel tablets annually for **treatment of schistosomiasis** in 47 African countries.

Solvents for Pharmaceuticals

Enabling the **next generation of drugs** by serving applications in the pharmaceutical industry across R&D, production, and quality control.



Steering to achieve our sustainability goals by targeted investments

Investment categories incorporating sustainability aspects



R&D Sustainability Scorecard (2023) to prioritize R&D projects leading to more sustainable products e.g. *pilot in LS*



ESG valuation and due diligence framework to identify risks and opportunities for potential targets e.g. *environmental footprint, safety, ethics*



Materiality analysis & risk assessment from a sustainability perspective, scenario analysis, valuation e.g. *NF₃ reduction, VPPA contract*

Our **sustainability guardrails** are an integral part of our cost-benefit analysis.

This holds true not only for targeted sustainability investments, but for our **investment processes** in general.



Supply chain management

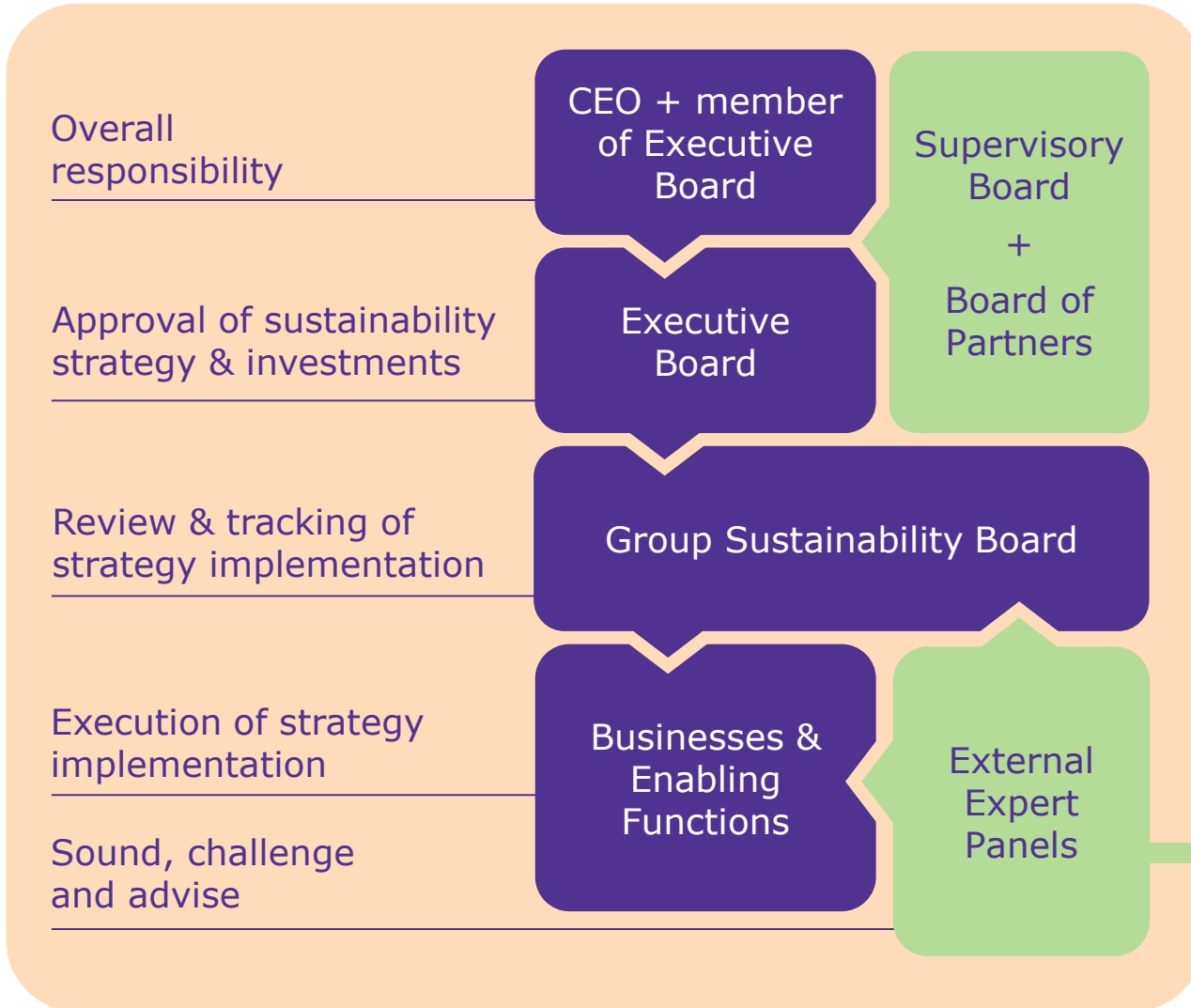
Sustainable and transparent supply chain

- 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 Supplier Code of Conduct**
- We are a member of the industry initiative **Together for Sustainability** (TfS) and recently joined the **Pharmaceutical Supply Chain Initiative** (PSCI)

One of the goals of our supplier management endeavors is **compliance with fundamental environmental and social standards**, in addition to high-quality, reliable delivery and competitive prices.



Effective sustainability governance structures and frameworks



Adherence to main codes, principles, standards, and frameworks, e.g.:

- UN Global Compact & UN Guiding Principles on Business and Human Rights
- Chemie³
- Responsible Care
- Together for Sustainability

Company policies, e.g.:

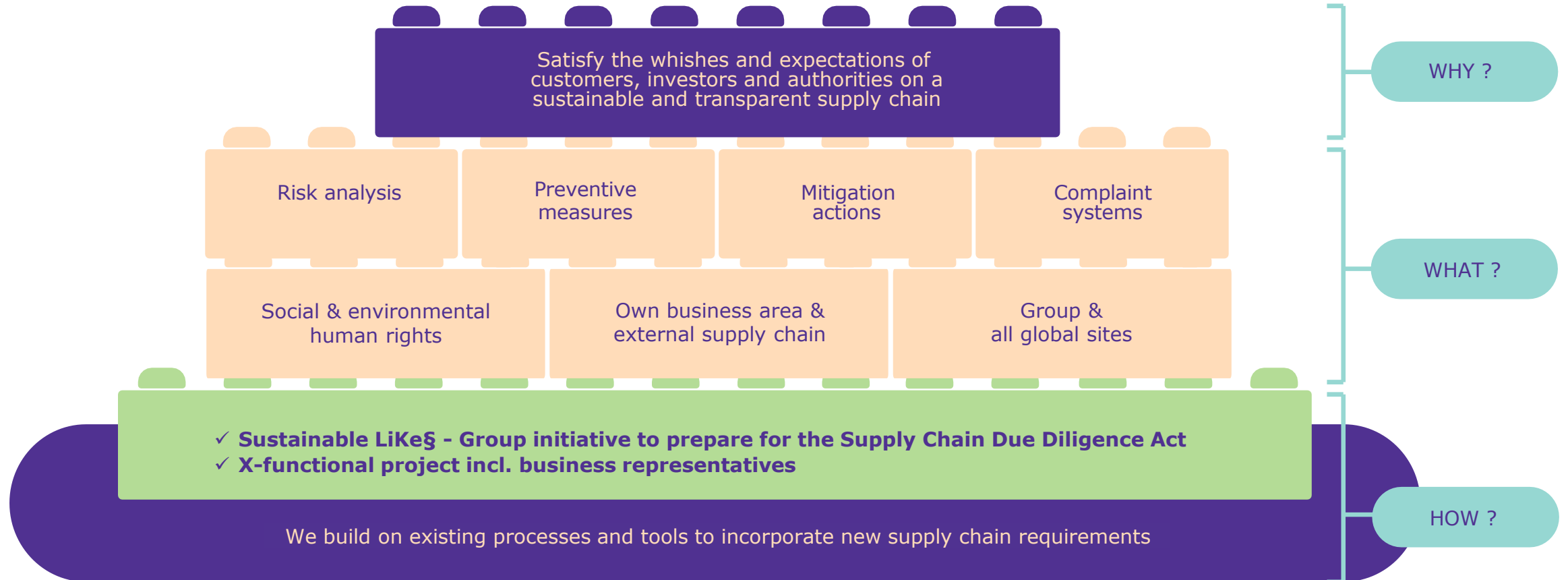
- [Human Rights Charter](#)
- [Responsible Sourcing Principles](#)
- [Social and Labor Standards Policy](#)

- Group Sustainability Advisory Panel
- Group Ethics Advisory Panel
- Group Digital Ethics Advisory Panel



Supply chain management

Get ready for the German Supply Chain Due Diligence Act



Supply chain management

Sustainability key performance indicator



- **Group Procurement** works closely with suppliers to **achieve a sustainable and transparent supply chain** (Goal 2).
- Our **Sustainability KPI follows a risk-based approach**, focusing on **relevant suppliers** who either represent a specific **country and industry risk** or contribute to a major part (min. 50%) of our purchase volume.
- We **leverage** efforts by **industry initiatives** such as TfS¹ and PSCI² **in combination with assessments** such as EcoVadis to achieve the envisioned transparency in our supply chain for **almost our complete spend** volume (98%).

target

We **measure** these key indicators using two equally weighted metrics: **coverage in terms of purchase volume** (2021: 65%) and the **number of suppliers** (2021: 21%).



Governance

Policies & Principles

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

General conducts, policies, statements

- [Group Human Rights Charter](#)
- [The Company Code of Conduct](#)
- [Social and Labor Standards Policy](#)
- [Modern Slavery Statement](#)
- [Code of Digital Ethics](#)
- [Transparency in Healthcare according to 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

- [Group 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](#)
- [Group 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](#)

<https://www.emdgroup.com/en/company/press-positions.html>



External stakeholders assess our engagement



As of 2021, Group received an MSCI **ESG* Rating of AAA.**

*Environment, Social, Governance



2022 Sustainalytics rates Group with 18.3 **and low ESG risk exposure.**



Since 2008, Group is part of **FTSE4Good Index**, measuring the performance of companies with strong ESG practices, ranking percentile rank 95 (top 5%).



In the ISS corporate ESG ranking Group achieved **prime status** and B-ranking, putting us in the 1st decile.



Since 2019, the Group share is again **included in STOXX Global ESG Leaders Index**, a sustainability index based on key environmental, social and governance criteria.



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



Group received gold status in 2022, stating Group is among the **top 3% of companies.** **EcoVadis** annually examines ~75,000 suppliers from 160 countries.



CDP Climate: In 2021, we scored "B" (2020: B). **CDP Water:** In 2021, we received a "A-" (2020: B).



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



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