

Merck KGaA, Darmstadt, Germany, Group Modern Slavery Statement 2024

This statement is published in accordance with the Canadian 'Fighting Against Forced Labour and Child Labour in Supply Chains Act'. It sets out the steps that Merck KGaA, Darmstadt, Germany and its subsidiaries in Canada, EMD Serono (EMD Inc.) and MilliporeSigma (MilliporeSigma Canada Ltd.), the Canadian healthcare and life science companies of Merck KGaA, Darmstadt, Germany respectively, have taken during the 2024 financial year to prevent slavery and human trafficking in any of our supply chains and in any part of our own business. The statements pertaining to the global due diligence of Merck KGaA, Darmstadt, Germany are presented in the Annual report 2024. The Canadian components have been approved by the Canadian Board of Directors of both EMD Serono and MilliporeSigma.

Introduction

Our commitment to sustainability is deeply rooted in our [values](#) and sense of responsibility. As a family-owned business for over 350 years, we prioritize generational thinking, ensuring that our actions today foster a sustainable future for the next generation. Our ambition is to leverage science and technology to achieve progress for mankind. For us, sustainable entrepreneurship and profitable growth go hand in hand. We recognize that our responsibility





extends beyond profitability; it includes our employees, customers, investors, and communities. By embracing a culture of respect, integrity, and transparency, we prioritize human rights and ethical practices.

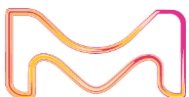
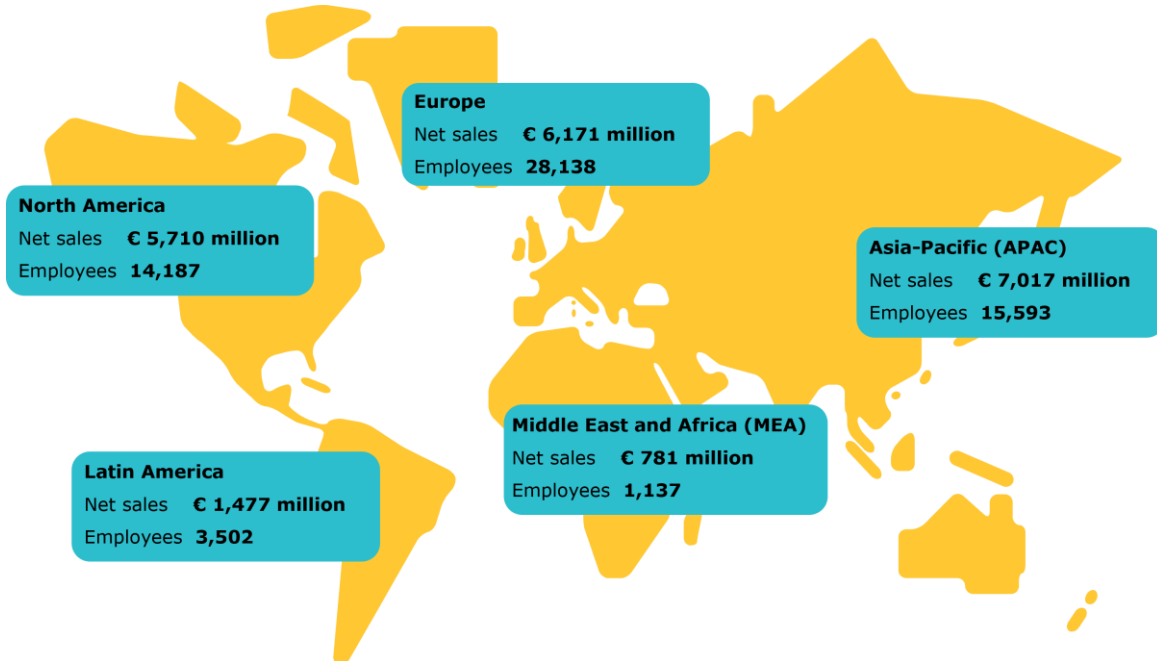
We know that slavery and human trafficking are hidden in many global supply chains and may be also in ours, particularly in countries deemed at risk due to higher human rights concerns. We are constantly striving to minimize the risk for any potential violations and are committed to taking effective steps towards preventing and mitigating harm to people in our operations, supply chains and business relationships.

Structure, business and supply chains

We are a science and technology company dedicated to Sparking Discovery and Elevating Humanity. In our three business sectors Life Science, Healthcare and Electronics, we work together to create value on behalf of customers and patients. More than 62,000 employees across 65 countries are committed to working towards a better future and delivering sustainable progress for humankind. In 2024, Merck KGaA, Darmstadt, Germany generated net sales of € 21.2 billion.

The shareholdings of Merck KGaA, Darmstadt, Germany as of December 31, 2024 are presented under [list of shareholdings](#) in the Annual Report 2024.

Employees and sales by region in 2024



The Healthcare business of Merck KGaA, Darmstadt, Germany operates as EMD Serono in the U.S. and Canada.



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

- With our **Life Science** business sector we are a leading global provider of products, solutions and services for a wide range of customers, including research and diagnostic labs, biotech and pharmaceutical companies, as well as the industrial sector.
- Our **Healthcare** business sector helps to create, improve, and prolong lives across the therapeutic areas of oncology, neurology & immunology and fertility as well as cardiovascular, metabolic and endocrinological disorders. As a global specialty innovator, with a strong established business, we deliver a diversified portfolio of therapies to millions of patients around the world, every day.
- In our **Electronics** business sector, we are an integral part of the semiconductor ecosystem. With our materials, the related delivery equipment and tools for metrology and inspection, we are a significant part of the value chain for semiconductor processing. Our broad and innovative product portfolio helps solve key industry challenges.

In 2024, we derived 42% of net sales from Life Science, 40% from Healthcare and 18% from Electronics. The Asia-Pacific region accounted for 33% of sales, Europe for 29%, with 27% of sales in North America, 7% in Latin America and 4% in the Middle East and Africa.

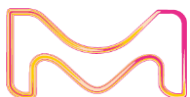
In Canada, through its affiliates EMD Serono and MilliporeSigma, Merck KGaA, Darmstadt, Germany operates in the Healthcare and Life Science business sectors, respectively. At present, Merck KGaA, Darmstadt, Germany does not operate the Electronics business in Canada. EMD Serono and MilliporeSigma import their finished goods from affiliates of Merck KGaA, Darmstadt, Germany, with the exception of a small percentage of goods sourced locally through trusted partners.

Our commitment to combat slavery and human trafficking

As a signatory to the [UN Global Compact](#) since 2005, Merck KGaA, Darmstadt, Germany has committed to upholding the [Ten Principles](#) based on key UN conventions, including the elimination of all forms of forced and compulsory labour.

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

For our own **employees**, our [Global Social and Labour Standards Policy](#) sets out our commitment to international social and labour standards. The policy specifically states that we do not accept any form of forced or compulsory labour, child labour, modern slavery, or human



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trafficking in any of our global operations or facilities. It prohibits practices such as confiscating or withholding worker identity documents and notes our commitment to ethical recruitment and the Employer Pays Principle.

Our expectations towards **suppliers** are outlined in our [Supplier Code of Conduct](#). We expect our suppliers to uphold human rights, adhere to the United Nations Guiding Principles on business and human rights, and carry out human rights due diligence. This entails respecting all internationally recognized human rights, including those articulated in the International Bill of Human Rights and the fundamental rights principles specified by the International Labour Organization (ILO). No forms of slavery, practices akin to slavery, serfdom, or other forms of domination or oppression in the workplace, such as extreme economic exploitation and humiliation, shall be tolerated.

Our [Responsible Minerals Sourcing Charter](#) demonstrates our commitment to responsible sourcing of minerals from conflict-affected and high-risk areas. It applies to all our legal entities and subsidiaries worldwide. The charter complements the requirements set out in our Supplier Code of Conduct.

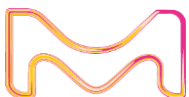
Our [Group-wide Contractor Environment, Health and Safety Management Standard](#) sets out our commitment to the working conditions of contractors. It requests to include labour and human rights in the management processes and contractor relationship management. Knowledge exchange and feedback loops are used to enable collaborative learning and improvements on Environmental, Safety and Labour/Human Rights Standards. Contractors may be eliminated from the bidding list if human rights violations are noticed during the qualification and performance tracking process.

Risk Management and Due Diligence Processes

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

Governance

We have established clear responsibilities for implementing and adhering to our human rights due diligence obligations. The overarching responsibility for human rights within our sphere of influence rests with our Executive Board, which mandates binding compliance from our





Managing Directors¹. Our Human Rights Officer is tasked with monitoring human rights and environmental due diligence obligations. The Executive Board receives regular updates on the Human Rights Officer's activities and a comprehensive report on the status of due diligence obligations annually

We consider respect for human rights an interdisciplinary issue at Merck KGaA, Darmstadt, Germany and so various functions collaborate systematically. The experts in the respective Group Functions, business sectors and local units implement the specific measures, for instance by integrating human rights due diligence into existing processes.

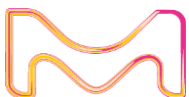
Our Human Rights Working Group is tasked to implement effective cross-organisational efforts to uphold Merck KGaA, Darmstadt, Germany's commitments to respect human rights across our operations, supply chain, business relationships and potentially impacted communities. In addition, the group addresses activities and current developments related to business and human rights. It comprises representatives from e.g. Group Compliance, Group Procurement, Group Human Resources, Corporate Environment, Health and Safety, Corporate Security as well as Group Corporate Sustainability. The group met twice in 2024.

Risk Analysis

We conduct an annual risk analysis to identify human rights-related risks in our operations and at our tier 1 suppliers. The results of the risk analysis are evaluated on an ongoing basis and integrated into our company decision-making processes. The process and the results of the regular risk analysis for the fiscal year 2024, are as follows:

In 2024, we conducted a comprehensive assessment of the risks of modern slavery for our own operations and concluded that the risk for our own operations is classified as "low." This classification represents the lowest category in our risk assessment system, indicating that the likelihood and severity of such incidents within our own operations are minimal.

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





Risks associated with our suppliers are analyzed in two phases: an initial abstract assessment followed by a specific analysis. Firstly, we identify abstract risks for our tier 1 suppliers using country and sector indices based on external data while also considering the extent of our business activities with the respective suppliers. The second phase involves a detailed analysis of specific human rights risks such as modern slavery and forced labour. To enhance transparency, we utilize questionnaires and leverage the internal expertise of our employees who communicate directly with the suppliers. Within the scope of the regular risk analysis for the fiscal year 2024, we identified i.a. modern slavery and forced labour as one of the potential risks with regards to our tier 1 suppliers which we prioritize. The risk analysis serves as the foundation for implementing appropriate preventive or remedial actions within our own operations and among our tier 1 suppliers. Further information about our preventive measures can be found in our [Human Rights Policy Statement](#).

Mica

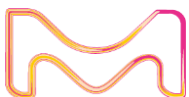
In the Indian states Jharkhand and Bihar social and economic factors contribute to poor working conditions, including child labour. This is why we have installed special oversight for our purchase of mica in this region. We are also supporting this region by safeguarding local employment and livelihoods. We source the raw material only from suppliers operating in formal working environments and we monitor compliance with our standards, including the prohibition of child and forced labour.

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

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

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

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





We are also a founding member of the multi-stakeholder group Responsible Mica Initiative ([RMI](#)). Since 2017, we have held the presidency of the organisation. The initiative aims to eradicate child labour and unacceptable working conditions in the Indian mica supply chain by **joining forces across industries**.

Training and awareness-raising

We continuously enhance our internal communication channels to reinforce our commitment to human rights across the group. An **online course** has been designed to train our Managing Directors and Senior Management on how to fulfill the requirements of our [Global Social and Labour Standards Policy](#) within their respective areas of responsibility. In May 2025, we launched a Human Rights Awareness Training available to all employees. This training focuses on raising awareness, educating about governance processes, and outlining actionable steps everyone can take.

Additionally, we conduct training sessions for suppliers on the [Supplier Code of Conduct](#) to ensure compliance with the obligations we defined in the contracts. These includes an interactive eLearning tool we developed, available in multiple languages, based on our Supplier Code of Conduct.

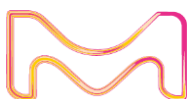
Furthermore, we leverage the TfS Academy training platform in collaboration with Together for Sustainability (TfS). This platform offers employees at TfS member companies and their suppliers access to 181 courses in 9 languages. Arranged in the categories of Health & Safety, Environment, Sustainable Procurement, Labour & Human Rights, Management and Governance these courses support all learning demands. We also engage in the #TfSTalks, an interactive webinar series.

Effectiveness

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

Our Compliance Hotline

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





Looking Ahead

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

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

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

May 31, 2025

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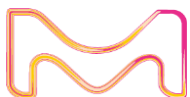
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