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Career with us

Our employees advance human progress by solving complex problems and promoting our culture of innovation and inclusion. We encourage them all to pursue careers that align with their individual aspirations, skills and passions. To maximize our potential throughout the Group, we aim to create an environment that inspires our current employees, attracts new talent and helps us to continue to learn and grow.

Our approach: A career with purpose

To ensure our ongoing success, we are focusing on the future by creating meaningful impacts and building needed capabilities. At the same time, we must respond to changing demographics and adapt to the behaviors and expectations of the highly competitive talent market. Therefore, in 2023, we continued to enhance our **talent acquisition strategy** with a more personal, employee-focused approach. Our talent sourcing approach aims to build inclusive pipelines and effectively recruit diverse talent with the needed competencies and capabilities to our organization. In addition, our talent retention approach is inclusive in targeting various employee groups. In 2023, we intensified our efforts to support internal mobility. For example, we launched a dedicated project to improve organizational agility, up-skilling and re-skilling, retention, and engagement. Specific modules went live in 2023, and we will roll out the complete platform with all functionalities during the course of 2024.

Our trainee and vocational training programs are an effective way to meet current and future demand for qualified professionals.

Supporting our employees' professional and personal development helps us to meet our strategic objectives, driving our success as a company. In a fast-paced environment of continuous growth and innovation, we want to cultivate and develop the capabilities of our employees. As a result, our employees benefit from a diverse learning and development portfolio. In addition, our dedicated management programs help our leaders to promote accountable and inclusive behaviors and educate them on driving long-term business value and performance.

We have designed our compensation structure to provide **valuable benefits** to our employees and their families. Our benefits offerings recognize the diversity and uniqueness of our employees while providing flexibility wherever possible. Additionally, our international employee mobility programs create an environment suited to the needs of a rapidly evolving workforce.

Roles and responsibilities

Group Human Resources (HR) supports and advises all business sectors and Group functions within our organization regarding our human capital, especially topics related to recruiting, vocational training and advanced training. Across all our sites, HR employees work with leaders from various functions and business sectors to employ strategies that engage our people in line with Group-wide HR guidelines and requirements, including attractive compensation models and benefits. In accordance with the audit plan, we conduct internal audits every two to three years to ensure that we implement our guidelines effectively.

The Chair of the Executive Board and CEO is responsible for Group Human Resources. Our Chief HR Officer, who leads the HR function and oversees all our HR activities, reports directly to the Chair of the Executive Board and

CEO. Our Business Services unit oversees the operational tasks of HR work, such as drafting contracts and payroll accounting. The Chief Financial Officer is responsible for this unit.

All employees can access their personal data via our **HR4You digital platform**, which aligns our basic HR processes globally. For instance, the platform enables employees to participate in online training courses or apply internally for vacant positions.

Our commitment: Structured development

Our High-Impact Culture, founded on **six behaviors**, is integrated into all HR processes, from recruitment and training to feedback processes. We regularly inform managers and employees about these behaviors through global campaigns.

Our People Development and Learning Policy provides a Group-wide framework that guides employees in managing their professional growth. It defines requirements for our development opportunities, roles and responsibilities.

Our **flexible work guideline** details our approach to evolving work environments and our aspiration to create a more agile organization. For example, employees can choose their desired working location (with the agreement of local guidance, teams and managers) provided it is appropriate for their work activity and balances remote work with in-person collaboration. We maintain a strong on-site presence as in-person interaction fosters collaboration and strengthens our culture. In addition, we aim to better support and recognize the well-being of carers by creating a carer-friendly workplace.

Furthermore, our **policy on cross-border remote working** allows employees – under certain conditions, with the support of their manager and in adherence to compliance measures – to work remotely for personal reasons outside of their country of employment for up to 60 days within a 12-month period.

Attracting and inspiring key talent

Our overarching goal is to attract qualified employees and retain them over the long term. Therefore, we continue to improve the way in which we introduce new employees to our company culture. For example, in 2023, we launched our new employer value proposition that will help us continue attracting and retaining the best talent in the future.

We also train our **Talent Acquisition** staff on how to take aspects such as diversity, equity & inclusion (DE&I) and unconscious bias into consideration during the recruitment process. Additionally, we continuously review our application process and hiring manager enablement to maintain a fast, quality-driven process.

A competitive compensation and benefits structure

We reward the performance of our employees in order to maintain a competitive edge in attracting and retaining the best talent. Within our Group, we base compensation on the requirements of each position and each employee's respective performance. We make no distinctions based on gender or any other diversity criteria. To ensure we maintain a **competitive compensation structure**, we regularly review our compensation policy based on data analyses and industry benchmarks. This enables us to compare internal factors and

market requirements in equal measure. Before making changes to our compensation structure, we consult with key stakeholders such as employee representatives, as applicable.

In addition to individual performance, our annual incentive plan also measures company performance based on financial and non-financial key indicators in our scorecard. The non-financial key indicators focus on the company's priorities and are designed to support our High-Impact Culture as well as our sustainability strategy and progress in terms of diversity, equality and inclusion. Furthermore, since 2022, we have included a sustainability factor in our Long-Term Incentive Plan (LTIP). More information on the LTIP can be found in the [Notes of our Annual Report](#).

In addition to competitive pay, we also offer attractive benefits through our benefits programs. For example, with our global car policy, we aim to reduce CO₂ emissions by encouraging the use of electric vehicles and supporting charging points. In addition, our benefits package contains offerings primarily funded by the company, in part country-specific, such as company pension plans, healthcare and other employee insurances as well as other services, for instance leasing offers for bicycles or discount schemes to meet the multifaceted needs of our global workforce.

In 2023, we introduced a fertility benefit policy, which provides reimbursement for fertility treatments in eight of our markets by employee size (Brazil, China, Germany, India, Mexico, United Kingdom, Switzerland, and Taiwan). Including the countries that already offered this company benefit (Canada, Japan and United States), we now cover 73% of our employee base and continue the global rollout in 2024. The benefit (subject to local rules and regulations) provides financial support to our employees and their partners, regardless of marital status or sexual orientation, for treatments after October 2023.

Nurturing a global mindset

To broaden the **diversity of thought** within our teams, we offer multiple international assignment opportunities that enable our employees to experience different cultures, mindsets and ways of working. In 2023, we monitored and improved our Global Mobility Long-Term Flex program. It enables our employees to acquire international exposure and benefit from greater working flexibility for durations exceeding one year.

Mobility split by assignment type



Unlocking our potential with education and professional development

We have implemented a holistic learning and leadership portfolio, which we are continuously enhancing in accordance with the principles of our **High-Impact Culture and set of behaviors** in order to foster greater levels of accountability, inclusiveness and engagement. Our learning portfolio also helps our employees to understand and embrace the principles, values and behaviors of our corporate culture.

We endeavor to support our **employees' personal and professional development** in line with their strengths, skills and behaviors. Therefore, we provide ample opportunities for the functional and technical upskilling required in the various areas of our organization. We recognize that employees need to develop capabilities for the future and acquire skills to adapt quickly to changing markets and organizational needs. Beyond cultural and soft skill learning and development opportunities, functional training, such as digital upskilling or scientific training, provides additional opportunities for development in specific areas.

Our new high-potential approach aims to develop, engage and retain our top talent. It supports their individual needs by helping them to design customized development journeys and increase their impact at work. These high potential individuals, who comprise around 5% of our global workforce, serve as role models, embody our values and behaviors, demonstrate learning agility, and are highly motivated to develop beyond their existing roles. Once designated, high potentials have a joint responsibility with their manager to progress in their targeted development journey. HR provides support with exclusive offerings for this specific target group.

Furthermore, our Development Advisor tool provides specific learning and development resources, for example e-learning courses, formal training offerings and self-facilitator toolkits. It is recommended that employees shape their development plans with components covering formal training (10%), opportunities to interact and learn from others (20%) and learning by doing (70%).

Our employees can book learning offerings, such as e-learning courses or in-person training, via our **learning management system**. Additionally, we encourage our employees and leaders to take courses via the LinkedIn Learning platform. In 2023, about 6 million training courses were completed.

In April 2023, we introduced a central **coaching platform** through which our employees can book their coaching sessions directly from a global pool of certified coaches. In one-on-one sessions, employees can learn to identify their relevant development areas and overcome business challenges.

Our Group-wide learning and leadership portfolio includes learning programs for individuals and teams. The **Empower Your Team program** introduces our leadership culture and the basics of leadership, such as decision-making, feedback, motivation, and emotional intelligence. **Empower Your Organization** is aimed at more experienced leaders and focuses on the capabilities needed to shape our culture, covering topics such as inclusiveness, psychological safety and transformation. About 750 of our leaders participated in these courses in 2023.

Merck University is our leadership development program for executives and collaborates with best-in-class business schools, including **Stanford GSB** in the United States and **INSEAD** in France. Established in 1999, more than 620 of our executives worldwide have participated in the program, enhancing their skills and professional development via state-of-the-art leadership learning methods, content and tools. Senior leaders taking part in Merck University also have several touchpoints with high-potential individuals in our second flagship program, the International Management Program (IMP). The IMP identifies and nurtures talented people who show potential to become our senior leaders of the future.

The Supervisor Academy is a development program for leaders in non-desk environments such as production and laboratory. The program's key goal is tailored leadership development that addresses the challenges of these leaders. We have run the program for several years in selected markets (United Kingdom, United States and Switzerland) with positive feedback. The Supervisor Academy is now mandated to be rolled out globally while content and processes are updated as needed.

Supporting the next generation

We believe in the value of investing in the next generation of talent, not just to build a diverse talent community, but also to develop the skills needed to continue to deliver our products.

To attract, maintain and build relationships with our diverse talent community, we use channels including career events, university relations and social media as well as other online platforms such as Candidate Relationship Management.

We also support talent in joining our organization through various internships and relationships with universities around the world. One example of this is our Healthcare business sector's Co-Op program with Northeastern University, Massachusetts, USA, where students gain first-hand experience with our manufacturing and R&D processes.

At the global level, we run our **GoGLocal** and **OLDP** (Operations Leadership Development Program) traineeships and we build relationships with students from multiple disciplines as well as academic researchers who show great potential and are interested in roles within our company. Every year, we hire around 40 new trainees across functional areas such as In-house Consulting, Marketing, Commercial, Strategy, Manufacturing, Operations & Supply Chain, Data & Digital, Research and Development, Procurement, Finance, and Human Resources. We offer our trainees mentoring, training and development opportunities.

Graduate hiring by gender



We have been steadily increasing our focus on vocational training. For example, we are investing more than € 70 million in a new Learning Center at our global headquarters in Darmstadt. With a capacity for around 600 apprentices, it will enable us to house almost all our vocational training occupations under one roof as of 2024.

In 2023, a total of 226 apprentices in Germany started their vocational training. The overall focus was on **scientific and technical occupations**. During the same period, a total of 190 apprentices successfully completed their vocational training at our Darmstadt site. In addition, at our Darmstadt site, we offer programs for refugees and young people struggling to enter the labor market, preparing them for subsequent vocational training.

We also continued to engage in the “Afrika kommt!” program offered by the German Society for International Cooperation (GIZ), which trains experts and leaders from African countries. In supporting this initiative, we are helping to build a pool of regional partners who promote economic cooperation between Germany and Africa. In 2023, 13 participants successfully completed the program.

Balancing work and personal life

We recognize the importance of a healthy **work-life balance** and flexible working models that accommodate the needs of individuals and teams. Accordingly, we have enhanced our Flexible Working Policy to reflect today’s dynamic business landscape while supporting an engaging and productive working environment. As part of this process, in 2023, we implemented a new policy that allows up to two days of remote work and three days working in the office per week, taking into account the legal, tax and compliance aspects in the various countries.

Corporate culture

For more than 350 years, we have worked to improve and enhance people's lives worldwide. Our High-Impact Culture enables us to continuously re-examine our ways of working and challenge long-held assumptions to advance human progress. It motivates us to recruit, develop, retain, and promote the best and most diverse talent, while cultivating and rewarding an inclusive environment.

Our approach: Unlocking our collective potential

We recognize that our daily actions ultimately impact our customers, patients and partners. This is why we have identified a standard set of behaviors that form the foundation of our High-Impact Culture such as 'raising the bar' and 'acting as the owner'. They continue to be firmly embedded in our company culture to provide guidance to all our employees and leaders.

We believe acknowledging and rewarding individual achievements, as well as a **feedback-driven culture**, enable collective success. Accordingly, we have introduced a new approach to performance, providing our teams with a framework that values employee expectations, clarifies goals, provides feedback, and rewards performance as part of our High-Impact Culture.

A constant shift towards learning from others, delivering and receiving feedback, and acknowledging the perspectives of others in constructive ways are also crucial elements of our culture. By promoting an open mindset, we empower our employees and strengthen our organization.

We also work to increase employee engagement and promote individual accountability by creating regular opportunities for dialogue and participation within the company. For example, **employee surveys** with regular feedback opportunities provide valuable data points for managers, employees, and Human Resources (HR) to conceive new measures and initiatives that promote a culture of dialogue and collaboration in the workplace.

Roles and responsibilities

Global Human Resources (HR) is responsible for advising all business sectors and Group functions on matters concerning human capital. HR addresses the needs of our employees, organizational topics, and company culture founded on ethics and a shared set of company values.

We expect our leaders to understand the needs of their diverse teams and provide support in the form of resources and data. In addition, the ability to access transparent feedback through specially developed tools enables our leaders to gain further insights into how their behavior impacts their teams. For this reason, we work with external providers to **train our leaders** in proven, science-based approaches to lead more effectively.

Our commitment: Employee representation

As set down in our **[Social and Labor Standards Policy](#)**, we will respect our employees' legal rights to form and join worker organizations of their own choosing, including labor organizations and trade unions, and will not discriminate based on an employee's decision to join or not join a labor organization.

Within Europe, 40 of our legal entities in nine countries (Austria, Finland, France, Germany, Italy, Spain, the Netherlands, Ireland, and Switzerland) have employee representatives. Our respective site management teams cooperate with them at the local level. In addition, the Merck Euroforum represents our employees from a European perspective in all EU countries, as well as Switzerland, Norway and the United Kingdom. However, not all entitled countries send delegates to the Euroforum. The Euroforum focuses on the current global economic situation, employment rates and significant changes within our company that affect more than one country, with regular exchanges during the year and additional meetings as required. We have Merck Euroforum delegates from 14 countries. All delegates meet once a year.

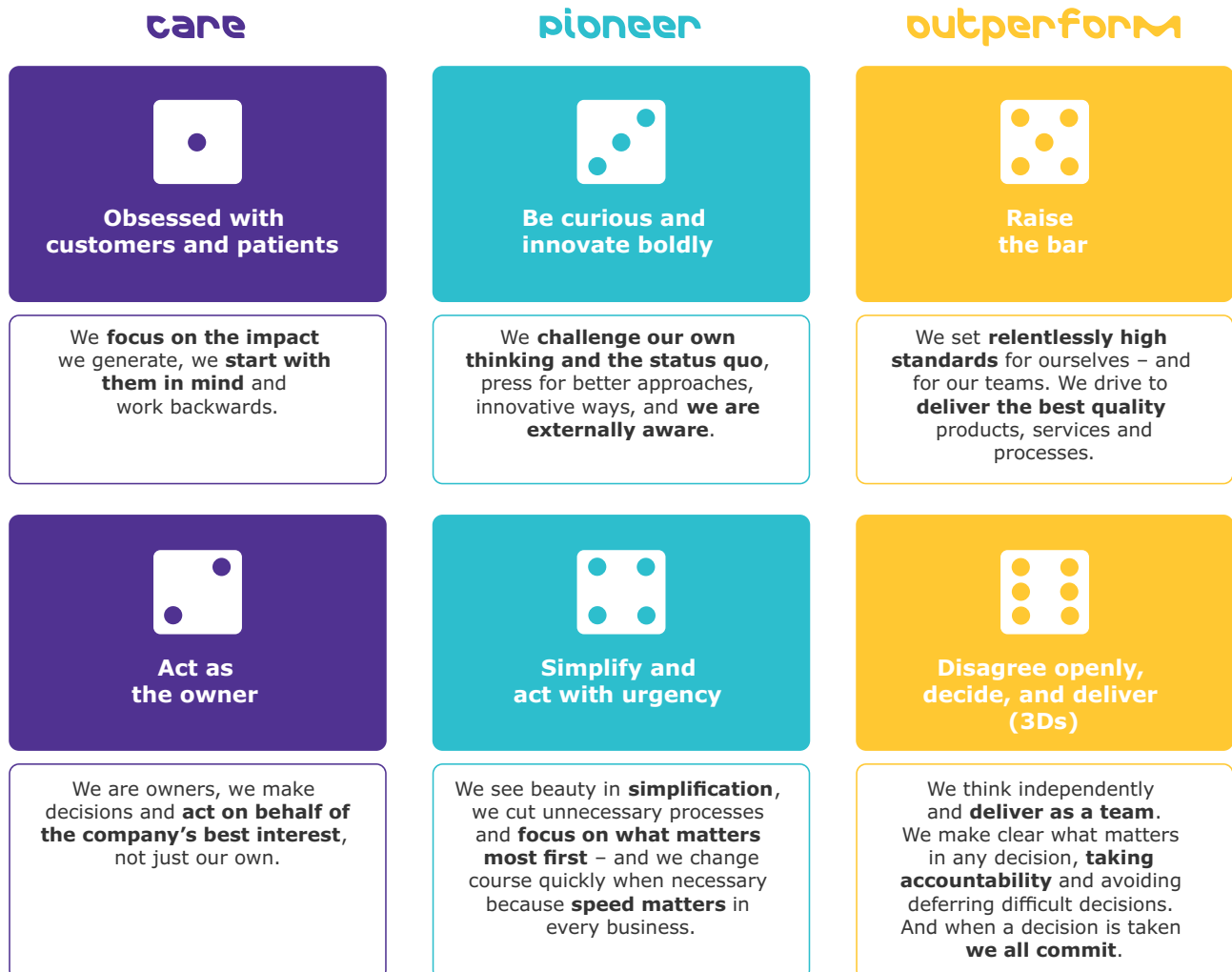
In Germany, one of our largest locations worldwide, 99% of the local workforce is employed by subsidiaries subject to the German Co-Determination Act. We have a total of 20 subsidiaries in Germany. In 16 of them, our employees are represented by the Group Works Council; in nine of them by the Joint Works Council in Darmstadt; the remainder are represented by their local Works Council. The interests of our senior executives are represented by the Senior Executive Committee. The co-determination bodies negotiate topics such as compensation, working hours and organizational changes. In addition, 58% of our German employees are covered by collective agreements (just above 12% of our global workforce).

In countries not covered by collective bargaining agreements due to different administrative, trade and judicial structures, we closely work with unions to implement operational decisions and coordinate relations between management and employees. Working conditions and terms of employment of employees in these countries are determined by legal requirements and our Global Guidelines.

Strengthening our High-Impact Culture

We aim to create a positive culture based on our strategic core elements of caring, outperforming and pioneering. By fostering our **High-Impact Culture**, we empower our people to create positive outcomes for our customers, patients and society. As part of this culture, we promote a mindset that guides how we do business and interact with colleagues and stakeholders. By embracing a standard set of behaviors, we can deliver on our purpose and create a work environment where everyone can succeed, develop and grow. These behaviors also embody our shared values and help to ensure our teams reflect different cultures, ways of thinking and life experiences.

These behaviors are:



In 2023, we launched MyImpact, our new approach to guiding, managing and evaluating performance within our company. MyImpact provides the framework to improve our performance and encourage continuous feedback and personal growth. The framework ensures we align our commitments, assess everyone's impact and drive collective success in a transparent and performance-oriented way.

MyImpact enables:

- **Focus:** Agreement and year-round adjustment of commitments to meet current business requirements, incorporating our six behaviors to drive our High-Impact Culture.
- **Feedback:** Engagement in regular performance conversations supported by feedback collected from colleagues.
- **Recognition:** Financial rewards for outstanding contributions by using timely and flexible performance-related recognition tools.
- **Efficiency:** Creation of a new and simplified way to evaluate employee impact, reflecting our High-Impact Culture.
- **User Experience:** Implementation of intuitive solutions to help employees stay up-to-date and drive their performance journey.

Strengthening our sustainability culture

Since 2021, e-Learnings on our sustainability strategy are a mandatory training component for existing and new employees. While this was the first step of our upskilling journey, we have extended our offer with function- and hierarchy-specific educational activities. Furthermore, from 2023 on, we use the sustainability questions from our annual employee engagement survey to measure the impact of our activities. The survey results are only used internally. They help us to understand the maturity of a sustainability mindset in the company and to detect and address functional, regional or hierarchical differences. The corresponding key indicator “Result of the employee engagement survey on sustainability culture” replaces the previous year’s achieved key indicator “Percentage of employees trained on sustainability”.

Embracing conversation and dialogue

In our increasingly connected world, we are convinced that feedback enhances open dialogue, builds trust and improves collaboration. For this reason, we have upgraded the functionality of our **360-degree feedback tool**, which encourages our employees to promote continuous feedback based on integrity and respect. The tool also provides guidance on integrating feedback practices into daily work and structuring feedback conversations accordingly. With new training materials, we aim to ensure our colleagues embrace our feedback culture and make constructive dialogue a habit rather than a formal process.

In this context, we are also promoting psychological safety to help our employees work more efficiently while feeling safe, respected and accepted. As our leaders play a critical role in creating the right atmosphere within their teams, we ensure that psychological safety is a core topic of our leadership development program **Empower**. We also provide a dedicated toolkit with practical guidance and actions that leaders can implement to promote psychological well-being.

Empowering our employees

We are committed to ensuring our employees and leaders are involved in our business processes and can engage in dialogue through various channels. These include internal communications platforms, anonymous surveys and roundtables.

Since 2022, we have measured our employees' experiences throughout their employee lifecycle, from onboarding to exiting the company. For example, we evaluate feedback from the onboarding experience after 90 days and again after three months. These measures help us understand the experiences of new employees and identify any areas of improvement. Similarly, our exit surveys and interviews collect insights into why employees voluntarily leave the company.

In addition, we evaluate the progress of implementing our High-Impact Culture by conducting pulse surveys. In 2023, the health and well-being of our employees was the primary focus of our pulse survey in spring. Our other main feedback formats include a yearly global employee engagement survey that serves as the main feedback channel for all our employees. In this survey, we expanded the scope of countries participating in the voluntary "self-identification" questions (self-reporting about disabilities, LGBTQIA+ and ethnic groups). These data points help us create a more [inclusive environment](#) for members of underrepresented groups. Since 2022, our engagement survey includes questions about commuting to calculate the CO₂ emissions produced by our employees traveling from home to our sites worldwide.

Diversity, equity & inclusion

We believe that creating and maintaining a diverse workforce helps us drive innovation, exceed customer expectations and remain economically and socially sustainable. Diversity, Equity & Inclusion (DE&I) also supports our goals of attracting and retaining talent who enrich our culture and help us create new solutions to tomorrow's challenges.

Our approach to creating a culture of belonging

We are committed to promoting a strong sense of inclusion and belonging among our employees. Therefore, we approach Diversity, Equity & Inclusion (DE&I) with the same purpose as our other global business objectives and aspirations. While we have always been a diverse organization – we currently span 65 countries and have about 63,000 employees from **141 nationalities** – we recognize that our success depends on our ability to foster equity and inclusion. In addition, our DE&I approach fuels our efforts to make positive impacts in the communities where we live and work. We expect our leaders and managers to be mindful and considerate in how they attract, hire, retain, and promote their people. We aim to help every employee maximize their potential, regardless of their gender identity, culture, ethnicity, race, religion or creed, sexual orientation, nationality, socioeconomic and family status, language, disability status, age, mindset, faiths, military service, or political conviction.

We strive to create **equitable outcomes** and identify and eliminate any barriers that may hinder our employees' contributions or their access to opportunities or career advancement. Ultimately, we believe diversity inspires progress and strengthens our ability to innovate in all areas of our business.

It is the uniqueness of our people that brings science, curiosity and our High-Impact Culture to life. That is why we nurture an environment with a **collective sense of belonging** so that all our team members feel valued and appreciated. An inclusive approach improves the overall performance of the company and generates more positive outcomes for customers, patients and partners.

Roles and responsibilities

The Chief Diversity, Equity and Inclusion Officer is responsible for our global DE&I strategy and for steering its related activities. In this role, she reports directly to the Chair of the Executive Board, whose Board responsibilities include Group Human Resources.

In addition, we have established a centralized **Diversity Council** comprising high-ranking executives from all our business sectors and selected Group functions. The Diversity Council's responsibilities include:

- Supporting equity and inclusion across our organization and its activities.
- Serving as ambassadors and advisors to the Executive Board and managing directors in country organizations.
- Proposing strategic goals, initiating measures and encouraging managers to meet their responsibilities in their respective units.
- Exchanging information, sharing best practices and aligning on next steps.
- Working across businesses, functions and countries to integrate DE&I within our daily work to benefit our employees and customers.

In turn, the members of the Global Diversity Council chair Diversity, Inclusion, Community, and Equity & Engagement Councils in their respective businesses.

Our commitment: International policies and principles

Our **Social and Labor Standards Policy** categorically states that our company does not tolerate any form of discrimination, physical or verbal harassment, or intolerance. To underscore our commitment to equality, fairness, inclusion, and tolerance in the workplace, we also participate in industry-wide initiatives:

- The **Women's Empowerment Principles**, an initiative of UN Women and the UN Global Compact network, help to promote gender equality and women's empowerment in the workplace. In 2023, we also participated in the **Target Gender Equality Programme** of the UN Global Compact, which supports companies in achieving gender balance in business.
- The Inclusion Action Plan of the German Mining, Chemical and Energy Industrial Union (**IG BCE**) defines concrete measures to create a more inclusive environment for employees with disabilities. In endorsing this plan, we meet the standards of the United Nations Convention on the Rights of Persons with Disabilities.
- The **Equal Opportunity Charter**, through which we pledge to do everything in our power to achieve gender equality within our company.
- We are one of more than 5,000 signatories of the **German Diversity Charter** and a member of the German Diversity Charter association, a corporate initiative that promotes diversity in companies and institutions.
- We are signatory to the **CEO Letter on Disability Inclusion** to support and promote the inclusion of people with disabilities.

In addition, we are a signatory to the **Business Coalition for the Equality Act**, an alliance of leading companies in the United States. We are also active in a number of external associations and public-private partnerships supporting equality, such as Healthy Women, Healthy Economies, CloisGap (Spain), Women Empowerment Council (China), SEMI industry association (dedicated DE&I initiative), Embracing Carers™, and **Disability:IN**, promoting the full inclusion of people with disabilities.

Meeting statutory requirements

The German Act on the Equal Participation of Women and Men in Leadership Positions in the Public Sector and the Private Sector has been in force in Germany since 2015. Due to our legal status as a KGaA (a corporation with general partners), this law also applies to us in part.

With a 37.5% share of women (6 out of 16 members), our Supervisory Board already meets the requirements of German gender quota legislation. As a KGaA, we are not required to set targets for our Executive Board, which currently has a 40% share of women (2 out of 5). Detailed information can be found in the [Statement on Corporate Governance](#) in our Annual Report.

Strategy implementation

In 2023, we continued driving our global DE&I strategy. We accelerated the impact of our national DE&I advocates in our 18 major countries and developed tailored roadmaps for each market. We also published our [Premier DE&I Report](#), providing detailed evidence of our strategy implementation and initiatives.

Progress on our 2030 aspirations

In 2021, we pledged to our people, partners, patients, and industry to intensify our DE&I efforts and set robust aspirations. In 2023, we demonstrated that we are on track to meeting our 2030 goals.

Gender equity: We developed measures to achieve a more balanced gender structure at various hierarchical levels of our business. We are making consistent progress and have increased the share of women in leadership (roles 4+) to 39% (2022: 38%) and senior management positions (roles 6+) to 29% (2022: 27%) while maintaining a 44% proportion of women in our global workforce (2022: 43%). This means our share of women in leadership has increased by 12 percentage points since 2015. Building on these efforts, we aim to achieve gender parity in leadership positions by 2030. Moreover, we are committed to fair and equitable pay for all employees. Our Executive Board comprises two female members (our CEO and CFO) and three male members, bringing the share of women to 40% (2022: 20%).

Women in leadership



Culture and ethnicity: With 23% (2022: 24%) of our employees based in the United States and 27% (2022: 27%) of net sales coming from the United States it is crucial that we become an employer of choice among underrepresented racial and ethnic groups in this market. Therefore, we plan to increase the share of employees in U.S. leadership (roles 4+) who are members of underrepresented racial and ethnic groups from 23% (2022: 21%) to 30% by 2030.

Share of underrepresented racial and ethnical groups in US leadership



Additionally, due to our current performance in Asia, Latin America and the Middle East and Africa (MEA), accounting for 39% (2022: 40%) of our Group sales, we aim to increase the global share of nationals from Asia, Latin America and MEA in leadership positions (roles 4+) from 17% (2022: 16%) to 30% by 2030.

Global share of nationals from Asia, Latin America, Middle East & Africa in leadership



In 2023, we developed an Action Plan on Culture, Nationality and Ethnicity as well as a toolkit for leaders and HR to accelerate our progress as regards these aspects.

Inclusion: Beyond our aspiration to foster specific types of diversity and equity, we are accelerating our efforts to create a genuinely inclusive culture for all employees. To achieve this, we rolled out training courses to help leaders reflect on how they can lead more inclusively. All leaders will be encouraged to complete these courses over the coming years. At the end of 2023, 92% (2022: 64%) of our leaders had participated in this training program.

Participants in Inclusive Leadership Workshop



Diversity figures are part of our compensation-related corporate goals. We use a prediction algorithm developed in-house to support the modeling and tracking of our key indicators for DE&I.

Committed to fair and equitable pay

Our **commitment to pay equity** is a crucial aspect of our DE&I strategy. To create transparency around unexplained pay gaps and identify their underlying root causes, we started a gender pay equity analysis in 2021. In the first step, we analyzed ten of our largest countries, covering approximately 80% of our total workforce. In 2023, we extended the analysis to all countries, except North America which is planned in 2024. The identified adjusted gender pay gap continues to be less than 1.5%, which is below benchmarks in the industry. We have developed a plan for a recurring analysis to continuously monitor pay data and to take effective actions as needed. These include individual adjustments based on the results of the analysis, as well as educating our HR community on the topic and taking other steps to ensure we make equitable and unbiased pay decisions.

Cultivating inclusion every day

We provide a framework for education in the areas of diversity, equity and inclusion, combined with empowerment to support inclusive leadership strategies. To maximize our leaders' effectiveness in building diverse and inclusive teams, we offer the **Inclusive Leadership Workshop** as part of our inclusion key indicators. The workshop combines global leadership interactions, peer coaching, continuous self-reflection, and leadership accountability. It is mandatory for all our leaders.

We also offer various learning opportunities featuring training and listening sessions on how to be a more inclusive colleague, such as our unconscious bias training sessions. Highlights include our regular "CAREful Conversations" (an ongoing, carefully curated speaker and discussion series intended to inform and inspire) and "Moving Minds" (events and activities throughout November to embrace DE&I across our organization). With the introduction of the psychological safety module, we help our employees understand the importance of creating a safe working environment and fostering a culture where everyone's voice is heard. We also launched four new self-directed training offerings, focusing on a range of inclusion topics. In addition, the inclusion index on our Employee Engagement Survey helps us better understand specific areas of opportunity and gain employee insights to create a more **inclusive workplace**. More information on how we approach employee engagement can be found under [Corporate culture](#).

Since we work in an international environment, we support our employees with intercultural training and digital tools such as our **Cultural Navigator**. We also offer language training and international networks to assist employees in international assignments and projects. For example, more than 1,200 employees are members of the International Community, which meets regularly at our global headquarters in Darmstadt.

We strive to maximize our support for employees who are caregivers and parents, from daycare centers in Darmstadt and Mumbai to emergency childcare services in the United States and Germany, as well as dedicated networks and leave options for those with caregiver responsibilities for elderly or sick relatives. On top of a paid maternity leave of no less than eight weeks across the globe, we offer further paid parental leave options for both primary and secondary caregivers in numerous countries.

We introduced a new fertility benefit in 2023 to provide financial support for fertility treatments. The benefit offer applies to all employees irrespective of their marital status, gender identity or sexual orientation, as well as their partners. Across our U.S. business, we have also launched LGBTQIA+ support, including medical plans and fertility coverage. More information on our benefits landscape can be found under [Career with us](#).

In 2023, we also emphasized **making our sites more accessible** and accommodating. We introduced a toolkit that provides our site managers with guidelines and practical examples on how to ensure our workplaces are more accessible and inclusive for all. These measures include but are not limited to offering multi-level accessibility at our buildings and events, accommodating individuals with both visible and unseen disabilities and providing gender-neutral restrooms and changing rooms as well as nursing rooms. In addition, we cater to digital accessibility with an AI-powered web accessibility tool on our external websites and provide inclusive IT tips for our employees worldwide.

Helping diverse talent flourish

To broaden diversity within our organization, we have continued to create a strong internal female talent pipeline, promote more women into leadership positions, and actively source external female candidates. Additionally, we focus on internal development and external sourcing of international and underrepresented ethnic candidates. We have also identified opportunities in each business sector to provide extra recruiting support and leverage existing and new talent to reach more diverse audiences.

We have taken a range of steps to enhance diversity within internal mobility. For example, we delivered enablement sessions to our Employee Resource Groups (ERGs) to inspire our employees to lead their career development. We also further equipped our Executive Recruiting team with standards to take a more active role in hiring our organization's next generation of diverse leaders. In addition, we ran DE&I Awareness & Best Practice Sharing workshops for our internal Talent Acquisition community.

In 2023, we also conducted voluntary self-identification campaigns in specific regions to better understand our internal demographics. These campaigns encouraged employees to voluntarily provide information about their ethnicity, sexual orientation, gender identity, and disability or veteran status.

To promote diversity while hiring internal roles, we continued our various **mentoring, sponsorship and talent programs**. We are also exploring new partnership opportunities to reach more diverse STEM candidates externally. Our programs include [McKinsey Connected Leaders Academy](#) (Career development for aspiring leaders from underrepresented ethnic groups), GEM (mentoring and internship opportunities for underrepresented ethnic group candidates in science, engineering and technology) and LOC **M Scholars** (providing tuition support for family members of existing employees from underrepresented ethnic groups). We also added information about our ERG community to our onboarding process to support new hires by informing them about the various employee groups and networks we manage around the world.

A sense of belonging: our employee networks

Our internal DE&I employee groups and networks have over 28,000 members in total (since a person can be active in more than one group, the number of people may differ from the number of members). These members have created a strong base that fosters a sense of belonging for community members and their allies. Our more than 60 groups and networks include **Women in Leadership, our Black Leadership Network, Rainbow networks, and I'M Able**. We are also strongly represented at our local sites in a number of women-oriented organizations operating globally.

In 2023, we updated the ERG governance framework. We also provided additional resources to the ERG community with a global summit and the launch of a central information portal on our intranet.

Our networks drive inclusion



Well-being communities

Focus on improving and preserving well-being by increasing awareness and creating professional opportunities in healthcare systems worldwide.



Disability communities

A community of people with disabilities and allies who break stigmas and support business leaders on disability equality journeys while sharing resources and learnings.



Culture & ethnicity networks

Help propose solutions to support the attraction, retention and development of employees of color as well as other cultural and ethnic minorities.



Women networks

Create an inclusive workplace that values, develops and advocates for the promotion of qualified women to achieve gender balance and long-term collective success.



Generational networks

Raise awareness, drive development and foster a culture where everyone has equal career opportunities regardless of their age or career status.



International community

A community of international, open-minded people dedicated to DE&I and elevating Merck to new levels of inclusion by representing our values and responding to the needs of newcomers and expats. The network exchanges resources and knowledge to support a soft landing at local sites in Germany, and Switzerland.



Rainbow networks

Promote a safe, inclusive and engaging work environment and foster a community where everyone, regardless of their sexual orientation, gender identity or gender expression, has the same rights and opportunities at all levels of our company.



Veterans networks

Support strategic diversity and inclusion efforts to attract, retain and develop military veterans in North America.



Inclusion networks

Focus on local needs specific to their respective groups, putting the spotlight on topics such as "Flexibility" and "Responsibility within the Community", among others.

Supporting DE&I in the communities around us

In 2023, we continued our partnership with [CNote](#), a women-led impact investment platform, to improve economic growth and opportunity in the U.S. communities in which we operate. We made a US\$ 20 million commitment to CNote, providing capital to support BIPOC-owned and women-led small businesses in those communities via microfinance loans. This approach utilizes cash on hand that is held in our company's traditional bank accounts and instead deploys the cash to Community Development Financial Institutions that have a long track record of financial stability and serve low-income women and people of color entrepreneurs, fund affordable housing, and support other forms of economic inclusion.

In 2023, we expanded our commitment to supplier diversity to all of our three businesses in the United States, including all indirect spend categories. Our **Supplier Diversity Program** extends to historically underrepresented groups, including underrepresented ethnicities, women, LGBTQIA+ people, and veterans. We are committed to advancing DE&I at all levels of our organization and plan to expand the program to include direct categories and regions outside the United States, starting in 2024.

I'M IN is our external-facing DE&I initiative to amplify the voices of underrepresented populations and improve the healthcare ecosystem. Since 2019, we have collaborated with healthcare practitioners through educational events, enabling them to explore untapped topics of health inequity in multiple sclerosis (MS) care and learn how inclusion positively impacts the patient experience. In 2022, we established the I'M IN Neurodisparity Fellowship, dedicated to reducing disparities in neurological care for MS patients. We subsequently expanded the I'M IN fellowships to more therapeutic areas where our business is active, including oncology and reproductive health.

Additionally, we have established a **diversity in clinical trials** project, as we understand the need for a diverse patient population in [clinical trials](#) and throughout the drug development life cycle. To maintain inclusivity, we focus on four key pillars that identify key tactical and targeted efforts. We have collated these and other examples in an internal DE&I in the business playbook, encouraging our teams to consider inclusive approaches in R&D, product development, procurement, marketing, sales, and partnerships.

Ensuring fair treatment for all

We do not tolerate any form of discrimination in our company, as stipulated with binding effect in our [Code of Conduct](#) and [Social and Labor Standards Policy](#). In January 2024, we published a new position paper on [disability inclusion](#) to complement our existing papers on [DE&I](#), [non-discrimination](#) and [non-harassment](#). In addition, we have established various reporting channels to ensure employees have a clear point of contact should they experience harassment or discrimination in the workplace or any other violations of our standards. Their first points of contact are their supervisors, HR or compliance teams, and they can also make anonymous calls to our [compliance hotline](#). In the reporting year, our HR Business Partners involved in HR-related compliance case investigations participated in a training and upskilling program to equip them with enhanced employee relations and investigation skills. In 2023, 30 (2022: 20) alleged cases of discrimination or harassment were reported via the compliance hotline and other channels, seven (2022: seven) of which were confirmed on our global reporting platform and appropriate action was taken.

Solid ranking in diversity, equity and inclusion indices

We continue making progress on integrating diversity, equity and inclusion within our business:

- We achieved a 100% score on the Corporate Equality Index (CEI) for the fifth consecutive year, and thus received the "Equality 100 Award".
- We scored sixth in the [German Diversity Index](#) 2023 published by BeyondGenderAgenda. The index reflects the transparency of diversity commitments made by DAX 40 German blue-chip companies in their annual and sustainability reports for 2022.
- We were awarded the Gold Seal in the Uhlala Group's [Pride Index](#) 2023
- We were recognized as a Best Place to [Work for Disability Inclusion](#) by Disability:IN.
- In China, we were recognized as a Top 10 Employer in the "[2023 DEI Employer Awards](#)"

Health & safety

We take responsibility for the health and safety of our employees every day and do everything we can to safeguard them against accidents and work-related illnesses. To this end, we take measures to prevent health issues from arising in the first place.

Our approach to preventing accidents and promoting safety

We seek to promote the health of our employees and sustain their long-term performance ability, which in turn necessitates a safe workplace. We are therefore constantly working to further strengthen our **health and safety culture**.

The lost time injury rate (LTIR) is an important indicator used to gauge the success of our occupational safety efforts. It comprises all accidents worldwide that have resulted in at least one day of missed work per one million hours worked. We determine the Group-wide LTIR both for our employees and supervised temporary staff. Our objective is to lower the LTIR to below 1.0 by 2025.

Generally, before starting any activity, we perform a **hazard assessment** to identify risks and do everything possible to eliminate them before commencing the activity or commissioning a plant. If this is not feasible, we put measures in place to minimize the likelihood of risks and their potential impacts. Hazard assessments are the responsibility of our individual sites and are therefore conducted by them.

In October 2023, we launched **BeHealthy**, our global employee health strategy, to our workforce. It is designed to further strengthen the physical, mental, social, and workplace health of our employees. All sites are asked to appoint a person responsible for implementing the strategy. For the launch of BeHealthy, we started an information campaign with the support of a member of the Executive Board. Moreover, in 2023, we introduced a key indicator for health, planned to comprise our health index on the one hand and the implementation status of the BeHealthy strategy on the other hand. We determine the health index based on 12 questions in the global Employee Engagement Survey. We measure the implementation status based on the extent to which our employees use the offers in the **BeHealthy Toolbox** and participate in the Mindfulness Community.

Through the efforts of our **Health Management unit**, we are bolstering our company and health culture at our global headquarters in Darmstadt, Germany. We examine the effectiveness of Health Management using a **key indicator system**, based on local activities.

Moreover, Health Management at our Darmstadt site also makes use of the findings from our company insurance fund's health report, along with evaluations from our Site Medical Center. We use all of this input to create target group-specific or unit-specific **prevention programs** as well as to advise the local management. When specific indicators such as workplace stress start rising, additional consultation meetings take place between Health Management and the affected units.

Roles and responsibilities

Our Health and Safety management system is the responsibility of Corporate Sustainability, Quality and Trade Compliance, which in turn reports to the Chair of the Executive Board. This Group function sets objectives,

oversees the respective initiatives globally and conducts internal EHS audits. **Local EHS managers** and their teams ensure that our individual sites comply with all occupational health and safety laws and regulations. They are also responsible for local projects, campaigns, and programs.

Employees concerned about their health or safety are permitted to temporarily step back from their work until the issue has been resolved. Globally, across the Group, they are encouraged to report such concerns via our [compliance hotline](#).

At our Darmstadt site, we have safety and decision-making committees that convene to address health and safety issues, coordinating strategies and focus areas with site senior leaders and health and safety experts as well as employees. Moreover, Health Management at the Darmstadt site contributes to embedding the topic of health into our company culture. After implementing each measure, the Health Management team asks all participants for their anonymous feedback on their experience and suggestions for improvement, which help shape the development of further initiatives.

At the Darmstadt site, our **interdisciplinary Mental Health Team** provides consultations to tackle the growing challenges surrounding mental health. As part of the new BeHealthy strategy, employees can also get support from mindfulness coaches on everyday stress management.

In 2023, we developed the interactive “Healthy leadership” workshop, among other things. The objective of this workshop is to familiarize our managers with health-promoting leadership behaviors with the help of business actors. At the same time, it teaches them how to integrate these behaviors into their own everyday work. In 2023, over 300 managers attended the workshop in Darmstadt.

In addition to this service, we offer a telephone hotline in all 66 countries in which we operate, giving our employees and their relatives access to confidential mental health and social counseling services around the clock.

Safety delegates and health partners

We have **safety delegates** at many of our sites globally who, in addition to their usual duties, help their supervisors ensure compliance with safety regulations and requirements. At the same time, they act as points of contact for their colleagues regarding safety-related matters.

At our Darmstadt site as well as other German sites, **health partners** also act as the interface between our employees and Health Management. They function as a health-related liaison for colleagues while also informing our workforce about the health programs and services on offer. At the same time, they make recommendations to Health Management regarding employee needs. Our employees undergo corresponding training before taking up their role as a safety delegate or health partner.

Our commitment: Policies and company agreements

Our Corporate **EHS Policy** (Corporate Environment, Health and Safety Policy) describes our fundamental approach to occupational health and safety, among other things. It is part of our **EHS management system** and undergoes an external ISO 45001 audit every year.

Together with the Group-wide health strategy BeHealthy, we launched the newly developed **Merck Group Employee Health Standard** in October 2023. It describes the fundamental requirements that a site must fulfill as regards employee health. In addition, the standard specifies our approach to ensuring workplace safety for our employees while also promoting their health and well-being. Furthermore, we set out our **Group-wide approach to health and safety management**, which is aimed at preventing workplace accidents and occupational illnesses.

We expect our contractors to comply with environmental as well as health and safety requirements throughout the entire process, from starting a job to completion. This objective is reflected in our Group-wide **Contractor EHS Management Standard**.

At our sites in Germany, we abide by **company agreements** on occupational health and safety that have been drawn up in partnership with employee representatives. For instance, our Occupational Integration Management works agreement, which applies to all our sites in Germany, governs the procedure for employees who have been on extended sick leave. The aim is to retain an employee's position while also helping to prevent adverse health impacts after the affected employee returns to work.

We also have occupational health and safety company agreements in place at 13 other sites in Europe. These cover all activities required to comply with national occupational safety regulations, such as workplace hazard assessments and regular occupational safety analyses. These company agreements also include on-site health offers for our employees.

Safety certification at our sites

As part of a **Group certificate**, our occupational health and safety management system was ISO 45001-certified at 66 sites at the end of 2023. The sites individually define the scope of their certification. For example, at the Darmstadt site, the ISO 45001 certificate covers employees in the production units as well as those working in infrastructure.

Our globally integrated management system enables us to ensure the occupational health and safety of all employees, among other things. This also applies to employees working at non-certified sites as well as those working at sites that are not included in the scope of the Group certificate.

The certification process helps us to identify weaknesses as well as opportunities for improvement, enabling us to take appropriate measures in a timely manner in order to ensure the health and safety of our employees in the future. All sites are urged to apply these standards.

Accident rates

Our employees are required to immediately report any relevant occupational accidents to Corporate Sustainability, Quality and Trade Compliance, where these accidents are assessed. If necessary, we then implement additional safety measures. This procedure is common practice across all production facilities around the world.

We document the following occupational safety data across our sites worldwide:

- The LTIR measures the accidents resulting in at least one day of missed work per one million hours worked. In comparison with the previous year, our LTIR increased slightly to 1.3 (2022: 1.2) The majority of incidents resulting in lost time were slips, trips and falls, along with contusions and lacerations from the operation of machinery and equipment. Once more, in 2023, we recorded no fatal accidents.
- We use our **EHS Incident Rate** to document **incidents**.
- Alongside this indicator, in the United States, we also use the **Occupational Illness Rate** to monitor work-related illnesses and their long-term effects.

Clear rules of conduct

Experience shows that most workplace accidents can be prevented by proper conduct. For our occupational health and safety, it is therefore essential that our employees receive EHS training and certification and act accordingly. We not only inform our employees about occupational health and safety but also actively involve them in our efforts; for instance, we ask them to participate in walkabouts and in the selection of personal protective equipment. This involvement is crucial as our employees best understand what they need in specific work situations. This enables us to continuously improve our occupational health and safety practices and performance.

Group-wide, all newly appointed site EHS managers must complete an **EHS onboarding training** that covers the topics of occupational health and safety as well as our **BeSafe safety culture program**. Through the BeSafe program, we raise employee awareness of occupational hazards and teach them rules for safe behavior. In addition, we regularly provide occupational safety training at our sites covering both legal requirements and the specific risks.

Promoting employee health

Our global health strategy BeHealthy comprises the following core elements:

- Mandatory training for all managers to promote **healthy leadership**;
- **Mindfulness** ambassadors who offer employees in their unit monthly or quarterly mindfulness exercises and provide support for managing stress;
- **BeHealthy Toolbox** with various health-promoting offers, such as training sessions, campaigns, self-tests, risk analyses, checklists, and consultations regarding mental, physical, social and workplace health (e.g., healthy shift work, ergonomics, 24/7 Employee Assistance Program).

In addition, numerous health-related offerings are available at our global headquarters in Darmstadt. These cover various topics including ergonomics, nutrition, stress, and mental health issues. We also offer employees at other sites various health-promoting measures.

Fitness initiatives

Across Germany, our employees can take advantage of offerings such as our company fitness program **Fit@Merck**, which encompasses **disease prevention courses** that are subsidized by our company. Additionally, in Darmstadt we have a company sports program with 31 athletic activities, of which we were able to offer 30 different athletic activities in 2023.

Physicals and support for our employees

With our occupational health care as well as our **recruitment and suitability examinations** we would like to ensure that all employees meet the health requirements for their particular tasks.

Our Travel Health & Medical Advisory Service assists employees who travel abroad, providing them with recommendations on necessary vaccinations and advice on hygiene risks.