

PREMIER

DIVERSITY, EQUITY & INCLUSION

REPORT

Building Belonging,
Advancing Human Progress





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We welcome any questions or comments on this Report and invite you to reach out to us at Diversity@merckgroup.com.

A letter from Our Chair of the Executive Board and Chief Executive Officer

Dear readers,

64,000 colleagues representing 139 nationalities — all united by a common purpose to advance human progress. That's Merck.

For us, building a truly inclusive organization that reflects the diversity of our modern world is a competitive advantage and a business priority. Moreover, our commitment to Diversity, Equity and Inclusion (DE&I) is a testament to our values and how we do business.

Being surrounded by people with so many different ideas, perspectives and experiences enhances the innovation, engagement and performance of our teams and helps us to attract and retain top talent.

Our DE&I efforts also bring us closer to customers, patients and communities so we are amongst the first to develop better, more meaningful solutions that address their unmet and emerging needs.

Across our organization, leaders have also received advanced tools and training to help them recognize and reduce unconscious biases that may influence how they think and act. We have several programs and peer groups in place as well, so colleagues from underrepresented communities may learn from and inspire each other.

Thanks to these efforts and many others, we have moved the needle in key areas and are on track to achieve our 2030 Diversity, Equity and Inclusion aspirations.

Our world is beautifully diverse — and so is our company. We believe that **championing a diverse workforce helps us better understand the unique needs of our stakeholders, exceed our customers' expectations, stay economically and socially sustainable and, most of all, drive the kind of groundbreaking innovation that advances human progress.**

This Report reflects our commitment to be accountable and transparent in how we set meaningful aspirations, develop plans, make progress, as well as measure and disclose our achievements around DE&I.

Belén Garijo



A letter from Our Chief DE&I Officer

Colleagues, collaborators, customers and community members,

Bold aspirations, bold stands, bold moves — they all take courage. Courage has been a long-standing value at Merck, and a cornerstone of our culture. It is apparent in our bold 2030 DE&I aspirations around gender, race, ethnicity and culture. It is also present in the bold programs and initiatives we develop to make measurable progress. Most of all, it shines through our bold actions in- and outside work every day.

Naturally, courage comes from people. Our company's bold aspirations, plans and actions are made possible by our visionary leaders and passionate employees, and their willingness to take on this challenge together. Since setting our bold plan in 2021, we have made impressive strides toward our goals. In this report, you will find statistics and facts about our progress, and highlights from the work we've done. But what I'm most excited about are the stories. You'll read direct quotes from and about our employees — enthusiastic activators

and genuine allies — that speak to the impact of this work and clearly show the passion that they have for the imperative. You'll meet our team of DE&I thinkers and doers, as they talk about why they do what they do. And you'll hear from a few of our leaders who not only support this effort, but also live it each and every day.

For our company, DE&I has been part of our more than 350-year journey — we are not in it for the quick win. We are also looking to the future — to the next generation and the one after that. **We are working to create an environment where all can belong, grow and thrive ... today, tomorrow and for the next 350 years.**

Thank you for your interest, your partnership and your good intentions. Together, we will make a positive impact on our people, our communities and our planet. And together, we will advance human progress.



Renee Connolly



OUR COMMITMENT

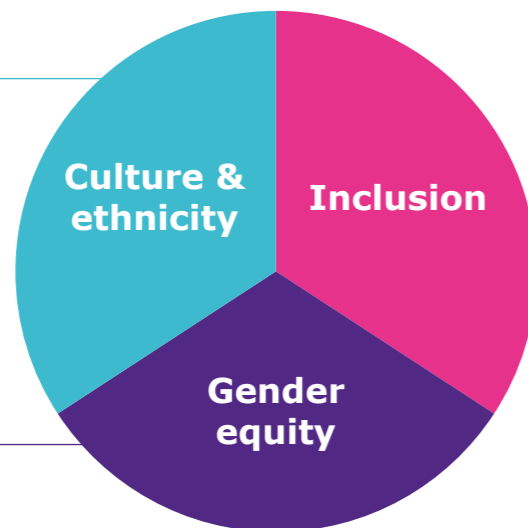
In 2021, we reflected — and then acted. We pledged to our people, partners, patients and communities to intensify our DE&I efforts, set bold aspirations, develop solid plans and hold ourselves accountable. In 2022, we completed the rollout of our new strategy and showed that we are on track to achieve our 2030 goals.

We approach DE&I with the same purpose and transparency as our other global business objectives and aspirations. While we have always been a diverse organization — present in 66 countries with more than 64,000 employees from 139 nationalities*— we recognize that our continued success depends on our ability to build a work environment that champions equity and inclusion worldwide.

Our DE&I approach fuels our expanded efforts to support all dimensions of diversity and help every employee maximize their potential, regardless of their gender identity, culture, ethnicity, race, religion, sexual orientation, nationality, socioeconomic and

family status, language, disability status, age, mindset, faith, military service or political views. We expect our leaders and managers to be mindful and considerate in how they attract, hire, retain and promote people.

Our commitment to equal opportunity and non-discrimination is set out in our [Human Rights Charter](#), the [Code of Conduct](#) and the [Social and Labor Standards Policy](#). These include the fundamental conventions of the International Labour Organization (ILO). Our policies and [position papers](#) on DE&I state that our company does not tolerate any form of discrimination, physical or verbal harassment, or intolerance.



We increase international and ethnic diversity in leadership to reflect our employee and customer base

We aim at gender parity in leadership

We build inclusive leadership practices into our global culture

*All data in this report reflects the status per Dec. 31, 2022.



OUR Approach

Guiding our DE&I efforts

Our Chief DE&I Officer, Renee Connolly, is responsible for developing our global DE&I strategy and steering all related initiatives, as well as measuring and reporting on our progress. In this role, she reports directly to our Chair of the Executive Board and CEO, Belén Garijo.

The CEO oversees our global Diversity Council consisting of senior executives from all our business sectors and select functions. The Diversity Council members are responsible for:

- Supporting equity and inclusion across our organization and its activities.
- Acting as ambassadors and advisors to the Executive Board and managing directors in country

organizations.

- Proposing strategic goals and guiding progress towards achieving our DE&I aspirations 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 for the benefit of our employees, customers and communities.

In turn, the members of the Global Diversity Council chair councils in their respective businesses, which we call Diversity, Inclusion, Community, Equity & Engagement Councils (DICE).

Sector DICE Councils

Diversity, Inclusion, Community, Equity and Engagement Councils in our three sectors

Global Diversity Council

with representatives from our business sectors and functions

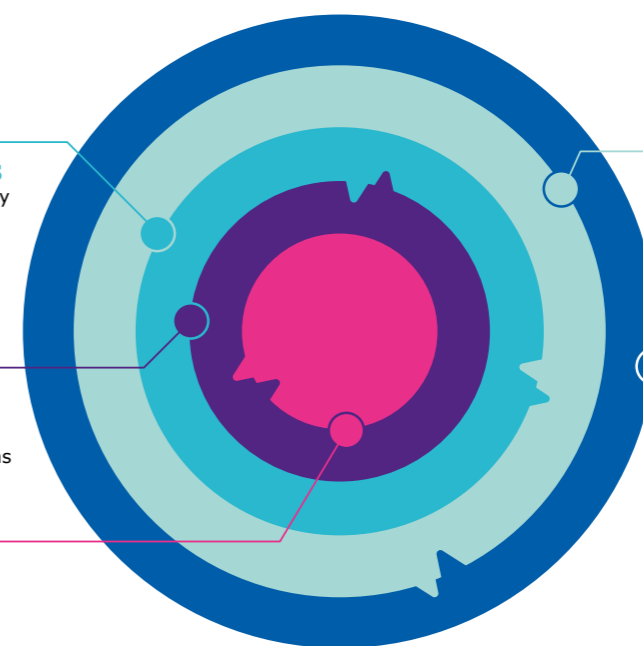
Executive Board

Global DE&I Advocates

in regions around the world, representing our people, communities and customers

Global Employee Resource Groups

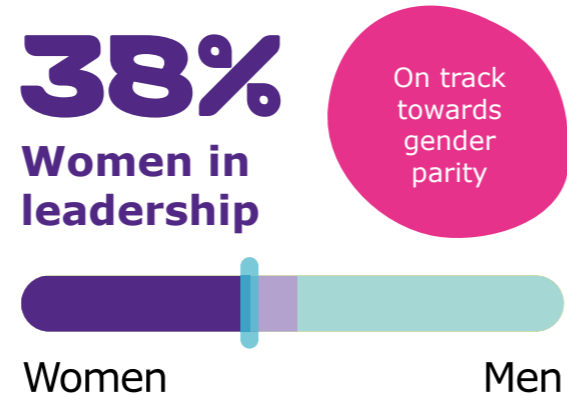
60+ internal groups and networks



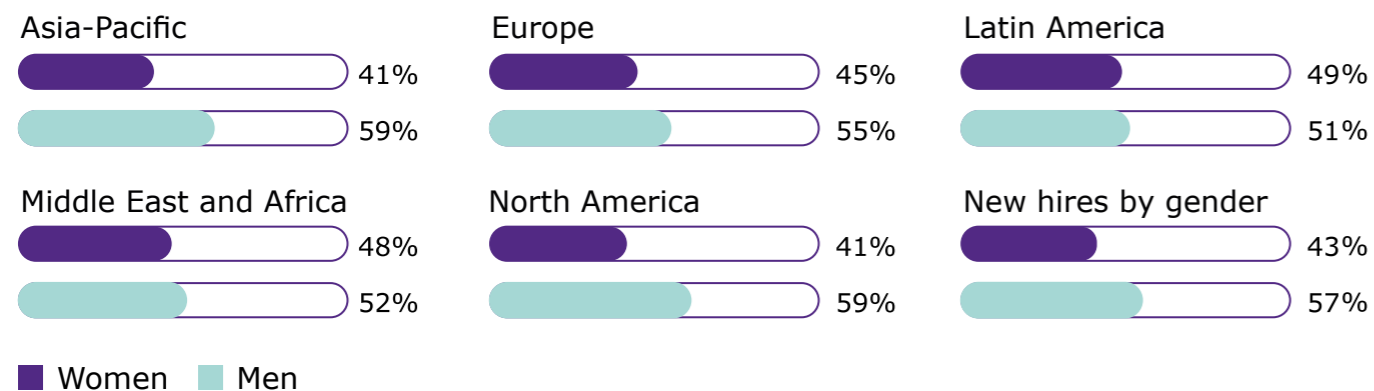
Gender equity

We've made strides to achieve a more balanced gender structure at various levels in our business. Today, we have 38% women in leadership — up by 11 percentage points since 2015 — and 43% women in our global workforce. Building on this momentum, we aspire to achieve gender parity in all leadership positions by 2030. Most importantly, the individual appointments collectively demonstrate our ability to attract, promote and develop women with notable and impactful backgrounds — doctors, scientists, lawyers, nurses and financial experts, to name a few — all expand-

ing our diversity, while ensuring we have the necessary expertise and experiences to lead. In addition, we are committed to fair and equitable pay for all employees.



Gender by region (all employees)



"I value that we can talk about women in leadership... with more discussions where we can engage more women to continue thinking about their career in the organization and their career in leadership as well."

Cecilia Barriga
Regional Field Marketing Manager
Life Science, Peru

Latest facts & figures
[Learn more about our workforce:](#) by function, region, business sector, contract type, age, rate of new employees and turnover.

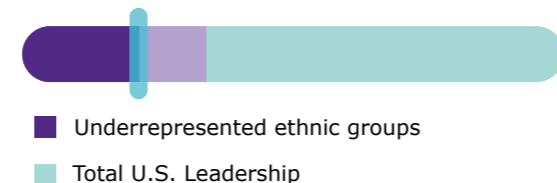


Culture and ethnicity

With 24% of our employees based in the U.S., it is crucial that we become an employer of choice among underrepresented racial and ethnic groups in this market. We aspire to increase the share of employees in U.S. leadership who are members of underrepresented racial and ethnic groups from 21% at the end of 2022 to 30% by 2030.

Additionally, with strong current performance and future growth predicted in Asia, Latin America, the Middle East and Africa — accounting for 40% of our Group sales today — we also aim to increase the global share of employees in leadership positions from these regions from 16% today to 30% by 2030.

21% Underrepresented groups in leadership



16% from Asia, Latin America, Middle East and Africa in Leadership



Together with our aspiration to foster diversity and equity, we are accelerating our efforts to foster an inclusive culture for all employees. To achieve this, we offer tools and training that help our leaders reflect on how they can practice intentional inclusion to foster engagement and belonging. For example, our Inclusive Leadership Workshop combines global leadership interactions, peer coaching, continuous self-reflection and leadership accountability. Participation in this workshop is mandatory for all people managers. By the end of 2022, 64% of our leaders took part in one or more of these sessions.

64% Inclusive Leadership Workshop Participation



“The Inclusive Leadership Workshop empowered me as a leader to continuously challenge myself and others on questions like: Did I treat a person respectfully? Did I cross a line? Do I create an environment of psychological safety? Additionally, the workshop helped me to identify and strengthen my own values as a leader, as well as stand up for them and implement them day to day.”

Angela Bause
Head of Program Management Office
Integrated Supply Chain
Electronics, Germany



“The Inclusive Leadership Workshop provides a safe environment to freely share your ideas and encourages the journey for all of us to lead and foster a truly diverse, equitable and inclusive work environment.”

Saori Miki
Head of Customer Excellence APAC
Life Science, Japan

A reflection from Our Chief Human Resources Officer



What empathetic leadership means — and why it matters

I've been shaped by a lifetime of very different experiences. I grew up in two cultures. Being born in one and having deep roots in another. That experience sensitized me to how it feels to be a newcomer and an outsider. Shaped me to understand the importance of immersing oneself in a culture and learning about others. I was taught to take the best of any world and embrace differences as superpowers.

When I came to Merck, I worked in the U.S., France, Germany and Singapore, and I tried to respect the norms and cultures of my adopted new homes and not impose a "French" way of doing things. Those experiences taught me to be a good listener and to soak in from others the cultural elements that made them who they are.

Now I'm a new mother, and that has come with many new joys and challenges, and of course, lessons that shape me every day.

In each experience there have been moments where I needed to see things from different perspectives. It was in these moments that I learned to be empathetic. By taking an empathetic approach, I learned that the people in our lives — at home and at work — are often more like us than we think.

So, as a person and as a leader, I try to live with humility and empathy. I try to understand those I work with and lead with them by my side, because that creates better outcomes, stronger performance and a more connected, engaged team. Because they have skills and talents that I might not have and, together, we can make an impact.

I want everyone I work with to trust themselves, to be empowered and to feel like they are reaching their highest potential as individuals. I also want them to feel they belong to where we are and feel encouraged to take a leap.

And that's why empathetic leadership matters so much — especially in my role. **Empathetic leaders connect, listen, inspire and motivate. They are inclusive, self-aware and capable of engaging beyond classic work topics. They take the pulse of the team, understand their needs and make sure they feel heard. They recognize that we all want to work with purpose and we all want to work successfully.**

Great work gets done because of high standards and a high calling.

But each person has their own reason for doing a great job. Each person wants to be recognized for what they bring to the table. **With empathy, great leaders can understand better how we will work best.** When our job is to help our people get the most out of their own talents, the possibilities are as limitless and diverse as the individuals on our team. That's part of what makes leading with empathy so interesting, so fun, so rewarding — and why I choose to live and lead this way.

A handwritten signature in black ink, reading "Khadija".

Khadija Ben Hammada

Measuring success

Diversity metrics are part of our compensation-related corporate goals. We encourage employees to voluntarily self-identify and share their demographic data, which in turn helps us identify barriers — to employment, advancement, engagement and inclusion — as well as provide necessary accommodations and measure our progress.



DID YOU KNOW?

In many countries, data privacy laws protect personal data and employers, including us, can only compile the demographic traits of employees on a voluntary basis. Because such data is invaluable for understanding the current state and making measurable progress towards a more diverse workforce, in countries where it is not prohibited by law, we may conduct voluntary surveys among our employees. [Learn more](#) about our high-impact culture and how we promote continuous feedback across our organization.



"Self-identification is an important tool to gather diversity data about our organization. When we have a better understanding of who our employees are, we are better positioned to develop meaningful strategies and initiatives that help to create a more inclusive workplace."

Adrienne Dawson
Head of DE&I, North America

FURTHERING SDGS WITH DE&I

The Sustainable Development Goals (SDGs) of the United Nations were established in 2015 to advance global prosperity by 2030. Companies can contribute to and accelerate achieving the SDGs through their business practices.

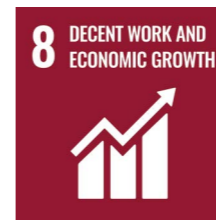
Our DE&I strategy aims to drive positive outcomes in three key areas:



SDG 4: Quality Education
Ensure inclusive and quality education for all and promote lifelong learning



SDG 5: Gender Equality
Achieve gender equality and empower all women and girls



SDG 8: Decent Work and Economic Growth
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Find out more about our sustainability strategy and read our Sustainability Report 2022 on our [Sustainability website](#).

OUR FOCUS

We are focused on setting ambitious aspirations, developing solid plans and building the capabilities needed to drive meaningful impact around DE&I. With more than half of our employees being millennials or younger, we strive to respond to the changing workplace demographics and evolve with the behaviors and expectations of a highly competitive talent market to stay an attractive employer of choice for all employees.

Ultimately, it is the diversity and uniqueness of our people that bring science, curiosity and our high-impact culture to life. Therefore, we nurture an inclusive environment with a collective sense of belonging, so all team members feel welcome, valued and appreciated.

This inclusive approach improves our innovation, collaboration and overall performance, and leads to more positive outcomes for our customers, patients and communities.

Our Inclusion Cycle: What we strive for

Retain

Employees feel a high level of inclusion and belonging, and improvement opportunities are spotted regularly

Attract

Candidates are aware of our DE&I efforts and interested in applying

Recruit

Recruiters are trained and equipped to leverage inclusive recruiting processes and tools

Onboard

New hires feel welcome, included and well-prepared from the start

Develop

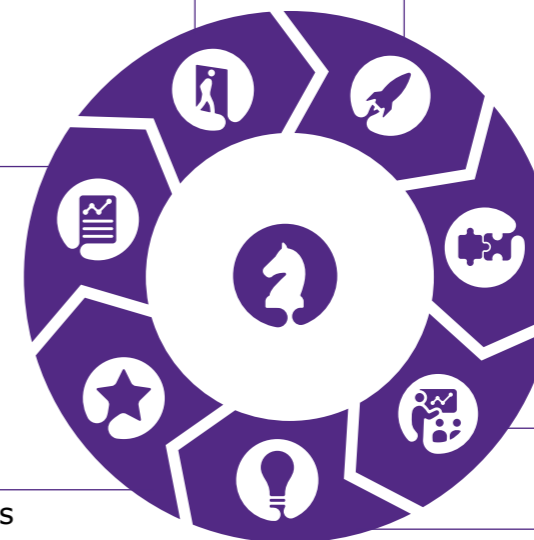
Learning offerings, tools and best practices enable managers and employees to foster DE&I

Promote

Preparing high-performing talent for leadership positions and creating a strong internal pipeline

Reward and support

Diverse employee needs are addressed and achievements recognized



Key numbers for DE&I

Inclusion

64%

People leaders in Inclusive Leadership workshop since program start in 2021

60+

Internal DE&I employee groups and networks

4

Generations working for the future of science & technology

Gender

38%

Women in leadership, on track towards gender parity aspiration

43%

Women in the workplace

<1.5%

Minimal adjusted gender pay gap

Culture and Ethnicity

66

Countries

139

Nationalities

21%

Underrepresented groups in U.S. leadership

In 2022, we focused on elevating all the moments that matter in the employee journey: to attract, recruit, onboard, develop, reward and support, promote as well as retain top talent.

Attract

Our talent acquisition strategy is built on a more personal, people-focused approach to attract diverse talent with not only a shared love of science and a passion for technology, but the backgrounds and evolving capabilities we need to compete in our business sectors.

We are also exploring new partnership opportunities to reach more diverse science, technology, engineering and

math (STEM) candidates, such as [Her-Hackathon](#) (a hackathon specifically targeting female graduates in IT), [GEM](#) (a fellowship that matches underrepresented ethnic candidates with academic opportunities) and [LOC M Scholars](#) (college or university tuition support for family members of employees from underrepresented ethnic communities).

connecting with candidates:

Questions & Answers on DE&I

Interested candidates can [connect with our very own employees online](#) to chat about what working with us is really like. We receive a wide variety of questions about culture, career development and work-life balance, such as:

Could you share the most enjoyable aspect of your day-to-day role?

Adedoyin J.
Lab Supervisor

The most enjoyable of my day-to-day role as a lab supervisor includes:

1. Collaborating: I love working cross-functionally with various teams to meet a goal, and the atmosphere with our company allows and encourages it!
2. Meeting demand: Ultimately, meeting local and global demand, or meeting demand ahead of time, is always super exciting!
3. Getting to know my team: I really enjoy the small chats and getting to know each individual on my team. What's even better is when they also ask questions to get to know each other as well!
4. Sharing good news: Being able to promote folks, nominate them for an award or share positive feedback about the value they bring to the team is exceptionally rewarding!
5. Seeing my team develop: I am so fortunate to be able to play a role in talent management and people development. Identifying opportunities where they'll blossom and coaching them through challenges and hurdles keep me on my toes!

How is your company supporting your personal career growth?

Lyra C.
Product Manager

Our company encourages career growth through exposure to many different areas of the business. On an average day, I work with 5-6 different business sectors from legal to manufacturing, and networking within the company is a high priority. You often see people move from one area to a completely different one as their career develops and they are able to refine their expertise. Our company also helps achieve career growth by encouraging personal and professional development via classes and training sessions.

How would you describe the company culture?

Glynis F.
Talent Acquisition Partner

I have worked for the company since 2013, which speaks volumes to our company culture. Longevity with the same company is not as common as it used to be, but as you look across our company locally and globally, you find many people have made their career here. We work for a company that is part of a global community and we see our impact every day. We have a culture of collaboration, which continues to grow cross-functionally, and something I love to participate in as you learn so much from colleagues and find innovation by sharing ideas. We have a heavy focus on development for folks that are interested in making the next step as well as upskilling within the role. This is something I've really enjoyed about the company. There are a lot of tools to utilize in the company for personal development, and our leaders are very focused on getting our employees to the level they would like to be. I love that I work with hard-working employees determined to make an impact across the company, but also work within a culture that respects and supports a work/life balance. We understand the importance of taking a break and the positive effect it has on innovation!

Ever considered working with us?

Our [Talent Zone Community](#) is a great way to stay connected, learn more about our company, career opportunities and events!

Recruit

We identified opportunities in each business sector to recruit more diverse candidates. In addition, we have piloted software to evaluate the inclusivity of our job descriptions and provide recommendations for making them more inclusive. Our new interview guide includes important DE&I aspects, and we also offer training for recruiters on our DE&I aspirations and approach.

Onboard

To ensure that everyone feels like they truly belong at our company from day one, we offer a buddy program to help new employees with their transition to our company, along with providing a detailed welcome package that offers, among others, helpful information about our 60-plus employee resource groups and networks worldwide. Part of the onboarding process includes surveying new employees about their onboarding experience so we can continuously improve our approach.

Raise awareness and allyship

Throughout our entire Inclusion Cycle, we strive to raise awareness and understanding of experiences, challenges and biases, create a sense of belonging and connection, and advocate allyship across the organization. We are committed to supporting our employee networks and their impactful programming to help foster a culture of inclusion and diversity for all employees. Virtual and on-site events, such as CAREful Conversations and Moving

Minds, provide a platform for ongoing dialogue, while celebrating global awareness days and months, such as International Women’s Day or Pride Month, and help us increase awareness, understanding and engagement throughout the year.



“Diversity Days are so important to me as a people manager because they allow me to better understand the backgrounds and life experiences of our employees. And the more I understand our employees, the more I am able to create an environment where all of our employees feel celebrated and welcomed, where they can bring their whole selves to work and bring the best outcomes for our teams.”

Katie Mondy Hughes
Global Head of Customer Supply Chain Innovation & Development Life Science, U.S.A.

CAREful Conversations

An ongoing, carefully curated speaker and discussion series that aims to inform and inspire by:

- Providing a global forum for employees to engage on key — and often sensitive — issues
- Elevating conversations to exchange diverse ideas and highlight best practices
- Focusing on the way forward to meet our aspirations

Moving Minds

A variety of events and activities to embrace DE&I across our organization on a global scale by:

- Engaging employees to unite, collaborate, and connect through thoughtful activities
- Fostering a collective mindset that embraces and celebrates diversity
- Demonstrating that there is a place for each and every individual within our organization

Develop

Our framework of DE&I education, tools and best practices, combined with empowerment, all support intentional inclusion. In addition to the Inclusive Leadership Workshop, we offer many learning opportunities on how to be a more inclusive colleague,

how to reduce unconscious bias at work and how to foster psychological safety. As leaders play a critical role in creating the right atmosphere within their teams, psychological safety is also a core topic of our leadership development program, Empower.



“Our DE&I aspirations signal to me in many aspects. For example, we have a lot of initiatives to support females to grow in leadership positions and we have different clubs and workshops to engage entry-level colleagues to strengthen their softer skills. These actions all prove that DE&I commitment at our company is more than buzzwords and it is rooted in our daily work in all dimensions.”

Vicky Guo
MBS Sourcing Support Team Coordinator Merck Business Services, China

Reward and support

Our competitive compensation structure delivers valuable benefits to our employees and their families, recognizing their unique circumstances and needs, while providing flexibility and choice whenever possible. Additionally, our international employee mobility programs create an environment suited to the needs of a rapidly evolving global workforce.

In 2022, we introduced our Flexible Working policy, with 38 countries now using it tailored to their local requirements and legislation. It covers our working habits — including when, where and how we perform our jobs — to create the most engaging and productive working environment possible. In addition, we established a policy that allows employees under certain conditions

to work remotely for personal reasons outside of their country of employment for up to 60 days within a 12-month period.

From daycare centers in Darmstadt and Mumbai to emergency child-care services in Germany and the U.S., as well as extended, paid parental leave for both primary and secondary caregivers in numerous countries, we strive to maximize our support for employees who are caregivers and parents — in line with local regulations and our global benefits guidelines.

Across our U.S. business, we have also launched comprehensive LGBTQIA+ support, including medical plans and fertility coverage.

Promote

We have high-impact mentoring, sponsorship and talent programs not only to prepare more of our high-performing talent for leadership positions but also to create a strong internal pipeline of diverse successors. In addition, we post transparent information on job openings on our internal platforms to ensure all employees have access to open roles that may be a fit for their growth and development plans.

Retain

Retaining our talent from underrepresented employee groups is key to us. Our retention efforts are tailored to different target audiences and markets, considering their unique backgrounds and expectations, and striving to create an inclusive environment that sparks our employees' creativity and growth. We rely on insights from our engagement and exit surveys to learn how we can further improve our culture every day.

Fair and equitable pay

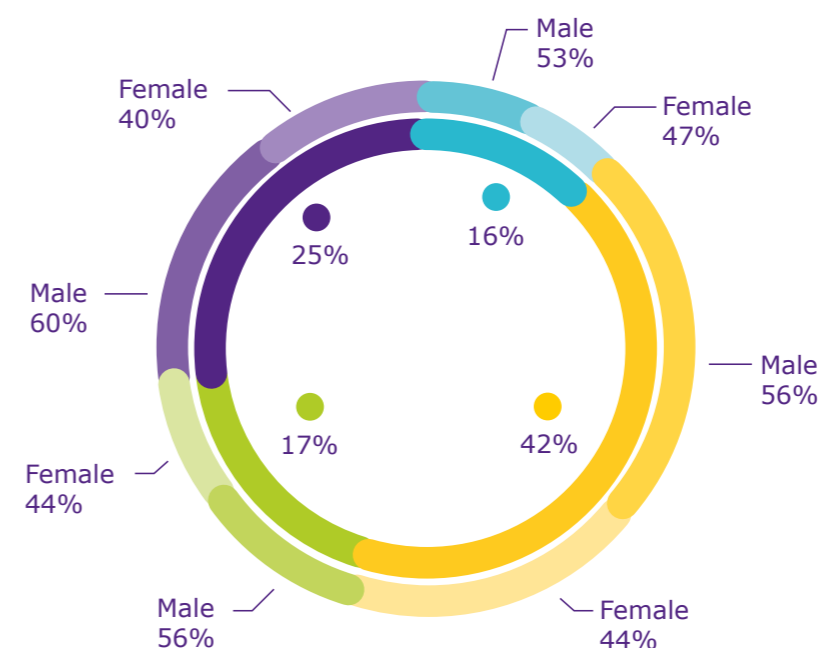
Our commitment to pay equity is a critical aspect of our DE&I strategy. An initial analysis in 2021 focused on identifying unexplained pay gaps and potential underlying causes. We analyzed 10 of the largest countries where we operate, covering approximately 80% of our workforce.

We released the results of our adjusted pay gap analysis publicly for the first time, which revealed the adjusted global gender pay gap is less than 1.5%, which from our assessment is enviable compared to other companies of similar size/structure who report.

Although these results are below the existing benchmark and a solid starting point, we continue to monitor pay equity and take measured actions as

Four generations to consider

- up to 29 years
- 30-42 years
- 43-49 years
- 50 years and over



More than half of our employees are millennials or younger

our culture

We have a high-impact culture characterized by caring, pioneering and outperforming. We promote authenticity, empathy, collaboration and engagement in the workplace, to foster a culture of inclusion and belonging for everyone. By providing various opportunities to give input on different topics and potential areas for improvement, we also empower our employees to make their voices heard and take part in shaping our future workplace.

Our global employee engagement survey, which serves as a critical feedback channel for all employees, includes a set of DE&I and self-identification questions, in compliance with local laws. In 2022, we launched additional surveys to gain insights into our employees' experiences throughout their journey with our company.

We also conducted a formal inclusion assessment to identify and

understand areas where we can strengthen our culture of inclusion and belonging. This assessment is helping us create a more inclusive environment for members of underrepresented groups, such as people with different abilities, people from different racial and ethnic groups, and those identifying as members of the LGBTQIA+ community, among others.

Highlights from our Employee Engagement Survey

87%
of employees feel they are treated fairly

81%
rate teamwork in our company positively

84%
say their line manager fosters a trustful culture where feedback is appreciated



our employee networks

We have an overarching framework for employee networks and guidelines for how employees can engage around them, which has resulted in the launch of more than 60 resource groups and networks across nine pillars, all of which play an important role in supporting our DE&I strategy worldwide. With over 7,500 employees enrolled in one or more networks, these represent a strong base for raising awareness and understanding of backgrounds, experiences, challenges and biases, and providing information and support via special events and initiatives for members and allies alike. Among these groups there are caregivers, generations, veterans, women, disability networks, culture & ethnicity networks, LGBTQIA+ networks and more.



Well-Being Communities focus on improving caregivers' health and well-being, while increasing awareness and support for them within healthcare systems around the globe.



Disability Communities serve people with disabilities and their supporters, helping to build awareness, break the stigma surrounding disability, and providing resources and assistance.



Culture & Ethnicity Networks help propose solutions to attract, retain, develop, reward and support our employees of color, as well as other cultural and ethnic minorities.



Women's Networks create an inclusive workplace that recognizes, develops and advocates for the promotion of qualified women to achieve gender balance and drive long-term business success.



Generational Networks raise awareness, drive development and promote a culture where everyone has the same career opportunities regardless of their age and stage of life.



The International Community brings together open-minded individuals who connect and exchange resources and information to support a soft landing for expatriates at our sites in Germany and Switzerland.



Rainbow Networks promote a safe and inclusive work environment and foster a community where LGBTQIA+ employees and their allies are recognized and valued.



Veterans Networks support strategic diversity and inclusion efforts to attract, retain, develop, reward and support military veterans.



Inclusion Networks focus on local needs specific to their respective groups, putting the spotlight on topics like "Flexibility" and "Responsibility within the Community," among others.



"Veterans bring unique experiences and skills to the workforce, and it is crucial to recognize and appreciate their contributions. As a Veteran myself, I am thrilled that we have a dedicated Veterans in Science Network, which is a valuable resource for our veteran employee population to connect with each other, get help with transitioning from military service to civilian life, and take advantage of opportunities for training and development, and build mentor relationships. In addition, this network is extremely proud of their community outreach efforts such as volunteering at local veteran's hospitals or veteran-focused organizations."

Christine Graziano-Neel
Project Management Officer
& Veteran, U.S.A.



"I strongly believe that our ERGs make an outstanding impact on fostering a culture of belonging. When you feel that you are part of a group that hears, respects and listens to you, you have the psychological safety that is necessary to share, to express ideas, to raise your voice and to be your best self."

Bruno Souza
BioProcessing Senior
Portfolio Manager
Life Science, U.S.A.

Design for accessibility and inclusion

Creating an accessible and inclusive workplace is not only the right thing to do, but essential for all employees, customers, business partners and others who visit our facilities — regardless of their abilities. We are committed to continuously improving our sites to ensure that they are safe, comfortable and accessible for all. This includes, but is not limited to, striving to offer multi-level accessibility of our buildings and events, providing accommodations for individuals with both visible and unseen disabilities, creating gender-neutral restrooms and changing rooms as well as nursing rooms, and promoting a culture of inclusivity through ongoing training and education.

In 2022, we put a special emphasis on digital accessibility by adding a new artificial intelligence-powered web accessibility tool on our external websites and providing inclusive IT tips for our employees around the globe.

Inclusion in action



Our team in Brazil has launched an initiative called LIBRAS, providing interpretation services for deaf and blind or low-vision colleagues.



"DE&I is not a work thing. We take it home with us. And our company makes sure that we understand it, talk about it, and we express it all the time and on all levels."

Thandi Nyampule
General Operations Administrator
Life Science, South Africa



"As an inclusion officer, I see inclusion as an added value for all employees, regardless of their abilities. After all, the concepts of inclusive design and accessibility make work easier for everyone or, figuratively speaking, the automatic door opener opens the door for everyone."

Sebastian Cramer
Inclusion Officer, Germany



"Gender is more than mere binary, and our employees should not be forced to make a choice. This applies to using the restrooms as well. Hence, in India, we have created restrooms that are gender neutral and allow for a safe space for all, irrespective of one's identity. Safe and inclusive workspaces are not a privilege — they are a human right."

Shiv Kumar
Head of HR, India

OUR INITIATIVES

A diverse and inclusive workplace is essential for us to create innovative solutions to tomorrow's challenges. We also strive to embed a DE&I perspective into our external-facing business practices and processes to provide added value to the customers, patients and communities we serve.

Here are some examples from our Healthcare, Life Science and Electronics businesses. We have collected these along with other initiatives in an internal DE&I in the Business playbook, encouraging and enabling our teams to consider inclusive approaches throughout R&D, product development, procurement, marketing, sales and partnerships.

Healthcare equity

I'M IN is an external-facing DE&I initiative within our Healthcare business to amplify the voices of traditionally underrepresented pop-

ulations and improve the healthcare ecosystem. Launched in 2019, it is the first dedicated, customer-focused DE&I program created by a bio-pharmaceutical company. Since then, I'M IN has engaged with over 1,000 healthcare practitioners via lectures and panel discussions at annual conferences, exploring untapped topics of health inequity in multiple sclerosis (MS) care.

Beyond hosting these educational events, we took an essential step toward improving solutions by becoming the first company to support and fund national fellowships dedicated to reducing disparities in neurological care for MS patients. The I'M IN Neurodisparity Fellowship provides funding for medical institutions for inequality of MS care. Fellows present and publish the outcome of their neurodisparity research and initiatives, and we amplify their work to encourage replication and create a "ripple effect" in the MS community.

Diversity in clinical trials

When it comes to the development, recruitment and execution of clinical trials, our Healthcare business is committed to having a diverse patient population in clinical trials and throughout the drug development life cycle. In all clinical trials, we aim to better reflect the patient population that is in need and would most likely benefit and use our medicine(s) for treating their disease. Our focus includes — but is not limited to — age, sex, race, ethnicity, religion and their intersections.

Our actions to appropriately represent diverse populations in our clinical trials include four steps:

- 1.** Partner with healthcare providers who treat traditionally underserved racial and ethnic populations to ensure comprehensive patient representation when developing treatments.
- 2.** Design inclusive clinical trials that follow internal and external guidance and best practices related to diversity of patients.
- 3.** Ensure that trial participants represent target populations that are affected by the disease.
- 4.** Continue to invest in education, outreach and building trust within diverse communities to enhance clinical trial awareness and participation in the patient and medical community.



"In medicine, DE&I isn't just the latest business acronym — it's a critical component of providing equitable healthcare. By prioritizing underrepresented physicians and underserved patients, we can create innovative solutions that address systemic inequalities and ultimately build a more inclusive healthcare system. At the core of this mission are a deep sense of purpose and a commitment to creating lasting impact for generations to come."

Gretchen Terry-Leonard
Professional Relations,
Strategic Alliances
Healthcare, U.S.A.



We're proud to have been recognized by the [Bioethics International Good Pharma Scorecard \(GPS\) GOLD rating](#): the highest possible for DE&I in clinical research.



“The reaction from our partners and colleagues regarding the diversity in clinical trials has been positive and encouraging. They are working closely with us in implementing the diversity plan for our development programs. We recognize that clinical trials are underrepresented by patients belonging to specific ethnicity, race or socio-economic backgrounds. However, we are committed in making our clinical trials accessible to all patients who may benefit.”

Sanjeev Roy
Global Clinical Development
– Immunology
Healthcare, Switzerland



Halal certification

Along with new trends like naturality, vegan suitability and sustainability, another new trend that enables consumer self-expression is halal-certified

cosmetics, which refers to any skin care, personal care or makeup product that meets the requirements of being halal — Arabic for “permissible” and responding to Islamic ethical requirements. To support the increasing demand for halal beauty products across the globe, the Surface Solutions team in our Electronics business has achieved halal certification for almost 300 products in its cosmetics portfolio.



Accessibility in digital products

The [Liquid Design System](#) is a User Interface Content Library developed by our EMD Digital business that helps product managers, designers and software developers to build more consistent and usable digital products even faster. It pays close attention to digital inclusion and accessible web components, ensuring that:

- Content is accessible and readable for all users.
- Interactive elements are intuitive to use and do not impose barriers.
- Keyboard navigation and assistive technology such as screen readers are supported.



Inclusive lab solutions

In the Lab Water Solutions team of our Life Science business, we take a customer-centric approach to prod-

uct development, embedding DE&I thinking across every phase of the R&D process so we are considering our customers’ diverse needs as they perform their daily work. For example, we perform prototype testing for our Milli-Q® portfolio, ensuring availability of data points from across the world and from all age groups, genders and skill levels when making decisions related to product ergonomics and design. One solution that came from this approach is the Q-POD® Ultrapure Water Remote Dispenser, which is very flexible and fits with all types of people, regardless of their height, or whether they are right- or left-handed, for example.



Supplier diversity

Given the importance of supplier diversity as a key driver of economic opportunity and growth, we have made a deliberate effort to ensure an inclusive approach guides our procurement practices. By expanding opportunities for diverse suppliers, we strengthen connections with the small businesses that drive our economy, while also advancing the broader goals of DE&I.

Our commitment to supplier diversity has recently expanded to all of our U.S.-based businesses (EMD Electronics, MilliporeSigma, and EMD Serono). We began with a pilot in three procurement categories and plan to expand to all indirect spend categories by the end of 2023. As part of this effort, we have established a baseline spend, trained procurement

managers in external platforms and technologies, and created a tier-two supplier questionnaire.

Our Supplier Diversity Program extends to historically underrepresented groups, including underrepresented ethnicities, women, LGBTQIA+, and veterans, among others, and we remain committed to advancing DE&I at all levels of our organization. Going forward, we plan to expand this program to include direct categories and regions outside the United States by 2024 and beyond.



“We’re working with business leaders to give a better understanding of what supplier diversity brings to our company. We’re working with our suppliers to understand their commitment and journey in growing their diverse spend. We’re investing in supplier diversity because it has value and cultural benefits for us—but overall, because it’s the right thing to do.”

Tom Cicale
Head of Global Plant Services and Region Americas Procurement
U.S.A.

Beyond our Business

Our company is committed to using our platform and resources to drive positive social impact and make a difference in the world through our business practices, partnerships and community engagement. By fostering a diverse and inclusive workplace, giving a helping hand to our communities, supporting underrepresented business owners and engaging future scientists, we strive to create positive and lasting change for all.

Helping our communities

From the pandemic to political polarization, economic downturn and the war in Ukraine, it is important to us to support those affected by global and local events.

Most recently, we have driven various initiatives, including monetary and in-kind donations across our company, to raise funds and show solidarity to Ukraine. Around 4,000 employees participated, donating over €570,000 via a dedicated platform run by the German Red Cross. Our company matched these donations. In addition, two trucks took more than 40 metric tons of supplies and food from our Darmstadt site to refugees in Poland. Our efforts have not been limited to donations, but also included volunteering throughout Europe, especially in Poland.

This has motivated a cross-functional team to pioneer new ways of providing help and support. For

example, our talent team created a dedicated Helping Hands for Ukraine career page for Ukrainian talent, offering job opportunities tailored to Ukrainian refugees in Germany and Poland.



“Standing with those in need is our duty, and we wish to help and make a difference,”

says Khadija Ben Hammada, Chief HR Officer.

“Our Helping Hands for Ukraine programming provided not only employment and career opportunities for Ukrainians to join our company but was the basis for our efforts to welcoming Ukrainian refugees in an inclusive and caring manner.”



Supporting underrepresented business owners

In 2022, we announced a partnership with CNote, a women-led impact investment platform, to improve economic growth and opportunities in U.S. communities where we operate. We will provide \$20 million that can be used to fund BIPOC-owned (Black, Indigenous and people of color) small businesses in those communities via microfinance loans. CNote is a technology-based, certified B-Corporation that creates real change by building more economically inclusive communities. It invests via community lenders with a long track record of financial stability, and together they support underserved communities, as well as women and underrepresented entrepreneurs. CNote provides a diversified and scalable way to support job creation, small business growth, affordable housing development and sustainable economic progress in underserved communities.



“Last spring, I took a “healthy walk”, as I call it, around my neighborhood park while listening to a podcast featuring CNote. Literally, in stride, I had the thought that we could do this—and I’m proud to say that we have, in fact, formed a partnership with CNote. Through our investment, we are providing mission-driven banks and credit unions with the funds to improve economic access, help small businesses grow, expand affordable housing and ultimately create a more inclusive, equitable economy. And that’s what commitment to the communities where we live and work is all about.”

Jeffrey Whitford
Head of Sustainability & Social Business Innovation
Life Science, U.S.A.



Engaging future scientists

As part of our SPARK™ global volunteer program, employees share their skills and experiences with students to spark their curiosity in science and inspire them to consider a STEM career. Two key programs, the Curiosity Cube® and Curiosity Labs™, help us do this.

The Curiosity Cube® is a shipping container that has been retrofitted and converted into a mobile science lab. It is equipped for hands-on science experiments designed to spark curiosity in the next generation of scientists. After a two-year hiatus during the pandemic, the Curiosity Cube® returned to North America and also embarked on its first ever European tour in 2022. Throughout the tour, a total of 190 events in 122 communities across 12 countries on two continents engaged more than 31,400 students.

In addition, the Curiosity Labs™ program engages students through hands-on, inquiry-based learning. It also applies scientific concepts to real-world scenarios and connects students with professional scientists — allowing them to learn firsthand about STEM concepts and careers in their very own communities. In 2022, we introduced two new Curiosity Labs™ lessons to our lesson library, focusing on graphene and the soil microbiome.

In 2022, more than 1,700 employees across 28 countries volunteered to support these programs, representing more than 15,000 volunteer hours, enabling us to reach more than 43,700 students.



“Education can change lives and open doors that we can’t even imagine. It happened to me—and I hope it happens to every child affected by SPARK™. Being part of this project is so motivating because I can bring science into the lives of people who may never dream of becoming a scientist. And now, I hope they understand that it’s possible.”

Helea Ferreira
Environment, Health and Safety
Coordinator
Life Science, Brazil



“Whenever I’m on-site with the Curiosity Cube® at a school event, I can see the overall energy is just filled with joy. The teachers are happy to see their students so engaged with science outside of the classroom. The students are thrilled to meet life science professionals and get their hands on new technology. And our employee volunteers are just so happy to get the chance to spark curiosity in the next generation of scientists.”

Audra DeMariano
Curiosity Cube®
Coordinator



“DE&I is a continuous journey that needs collective efforts across companies and industries to make real impact. When each hand brings a gift of wood, the fire within grows bright and good.”

Julie Jiayu Fu
DE&I Business Partner, China

SOCIAL POSITIONING

To underscore our commitment to DE&I in the workplace, we participate in industry-wide initiatives and are active in several external associations and public-private partnerships through the [Merck Family Foundation](#) and [Merck Foundation](#).

We are:

- Signatory of the [Women's Empowerment Principles](#), an initiative of UN Women and the UN Global Compact network, helping to promote gender equality and women's empowerment in the workplace. In addition, we also participated in the UN Target Gender Equality Programme in 2021/2022, which supports companies in achieving gender balance in business.
- One of over 4,500 signatories of the [German Diversity Charter](#), and a member of [Charta der Vielfalt e. V.](#), a corporate initiative that promotes diversity in companies and institutions.
- Involved in the [SEMI Workforce Development and DE&I Advisory Council](#), which provides guidance for the development and validation for workforce development and diversity & inclusion initiatives.
- Participant of the German [Equal Opportunity Charter](#), through which we

pledge to do everything in our power to achieve gender equality within our company.

- Driving two global initiatives, [Healthy Women, Healthy Economies](#) and [Embracing Carers®](#), to promote awareness of public health issues extending beyond patients. The interconnectedness of both initiatives is rooted in shared themes and goals. The majority of unpaid and underpaid caregiving hours globally are provided by women and girls. Through these initiatives, we aim to both promote and support women's health and economic empowerment, and expand access to health.
- Advocating via [ClosinGap](#) in Spain for policies and actions in favor of equal opportunities for women and men, in order to contribute to equity, economic development and growth, in line with the UN Sustainable Development Goals (SDGs).
- Member of the [Women Empowerment Council](#), a network of leaders and decision makers that aims to advance gender equality in businesses in China and beyond.
- Endorser of the [Inclusion Action Plan](#) of the [German Mining, Chemical and Energy Industrial Union](#) that defines concrete measures to create a more inclusive

workforce for employees with disabilities.

- Participant of the [Disability:IN](#) Disability Equality Index (DEI) and signatory to the CEO Letter on Disability Inclusion (U.S., with plans to expand globally) to complete inclusion of people with disabilities.
- Signatory to the [National Association of Manufacturers' Pledge for Action](#) to advance justice, equality and opportunity for black people and all people of color in the U.S.
- Participants of the [MassBio CEO Pledge](#) for a More Equitable and Inclusive Life Sciences Industry in the U.S.
- Part of the [Freedom from Hate Coalition](#) supporting the passage of a comprehensive bias-motivated crimes bill in Wyoming, U.S.
- Member of the Human Rights Campaign's (HRC) [Business Coalition for the Equality Act](#). We signed a business coalition letter organized by HRC and Freedom for All Americans opposing state-based legislation targeting the LGBTQIA+ community in the U.S.
- [Signatory to a letter to U.S. Senate](#) in support of the [Respect for Marriage Act](#).



selected awards and recognitions

Individual recognition



2022 Honorary Award for outstanding commitment to diversity and inclusion BeyondGenderAgenda

Belén Garijo, Chair of the Executive Board and CEO



Company awards



No. 9 in World's Top Female Friendly Companies
Forbes



Europe's 100 Most Inclusive Companies
Financial Times



100% Score on Corporate Equality Index (CEI)
(Fourth consecutive year)



Best Places to Work for LGBTQIA+ Equality
Human Rights Campaign



Top Large Companies in LGBTQIA+ Diversity Performance Index
Uhlala Group



No. 6 in German Diversity Index 2023
BeyondGenderAgenda



No. 17 out of 100 in BCG Gender Diversity Study
Boston Consulting Group & Technical University of Munich



Gold Rating on DE&I in Clinical Research
Bioethics International Good Pharma Scorecard (GPS)



Best Policies & Benefits to Promote Gender Equity Award
Women Empowerment Council, China

45

46



"It is such a marvelous success that we are now among the 11 top companies active here in Germany scoring very high on this UHLALA PRIDE index, which in essence measures our performance on LGBTQIA-related diversity aspects. It demonstrates that we are on the right track, but it also motivates us in collaboration with DE&I and the employee networks to strive for further improvements in the coming years. This is something we can cherish together."

Christian Weber
Head of Global Regulatory CMC & Devices
Healthcare, Germany



"Seeing that the Financial Times ranks us among the top 100 most inclusive companies in Europe is really encouraging. It's showing us that others are seeing what we feel every day, and it's nudging the organization to do more of what we've already started."

Katharina Schiederig
Head of Global DE&I Strategy,
Germany



OUR PATH FORWARD

As we embark on the next phase of our journey to create a workplace where everyone feels welcome, valued and appreciated, we are committed to being intentional and accountable in executing our DE&I strategy. We recognize the importance of seeking diverse perspectives and engaging in honest and courageous conversations to deliver the best solutions for our patients, customers and communities. From our senior leaders to our front-line employees, we will model inclusive behaviors and take a stand against bias. We will continue to share our

own stories and listen to those of others, which we believe will drive measurable progress in DE&I. Our dedication to diversity, equity and inclusion is unwavering and our 64,000 employees are working to make a positive impact within our company and the world.

What do you think? How can we better accelerate positive change in our company or with our customers and partners? Do you have any other feedback for us? Reach out and tell us about it with an email to Diversity@merckgroup.com.

Cautionary Note Regarding Forward-Looking Statements

This communication may include "forward-looking statements." Statements that include words such as "anticipate," "expect," "should," "would," "intend," "plan," "project," "seek," "believe," "will," and other words of similar meaning in connection with future events or future operating or financial performance are often used to identify forward-looking statements. All statements in this communication, other than those relating to historical information or current conditions, are forward-looking statements. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond control of Merck, which could cause actual results to differ materially from such statements.

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

The foregoing review of important factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included elsewhere, including the Report on Risks and Opportunities Section of the most recent annual report and quarterly report of Merck. Any forward-looking statements made in this communication are qualified in their entirety by these cautionary statements, and there can be no assurance that the actual results or developments anticipated by us will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, us or our business or operations. Except to the extent required by applicable law, we undertake no obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future developments or otherwise.

