what guides us

The Merck Code of Conduct

our code of conduct

Dear colleagues,

we at Merck have set very high goals for ourselves. Yet it's not just the results that count, but also how they are achieved. This is why we rely on our company values for guidance. They serve as our internal compass, shape our identity as a company and indicate what we stand for. Our values make us strong – if we live by them each and every day.

This Code of Conduct explains how we can successfully do this. It provides us with a framework that we can refer to in order to make decisions and act in accordance with uniform standards worldwide.

One thing is particularly important to me: The Code of Conduct applies to everyone at Merck, in all countries and at all levels of the hierarchy. Our actions are always based on the same, binding principles.

Ultimately, it's about behaving ethically and honestly both within the company and towards our customers and other external business partners. Each and every day.

Sincerely yours,
Stefan Oschmann

Chairman of the Executive Board & CEO

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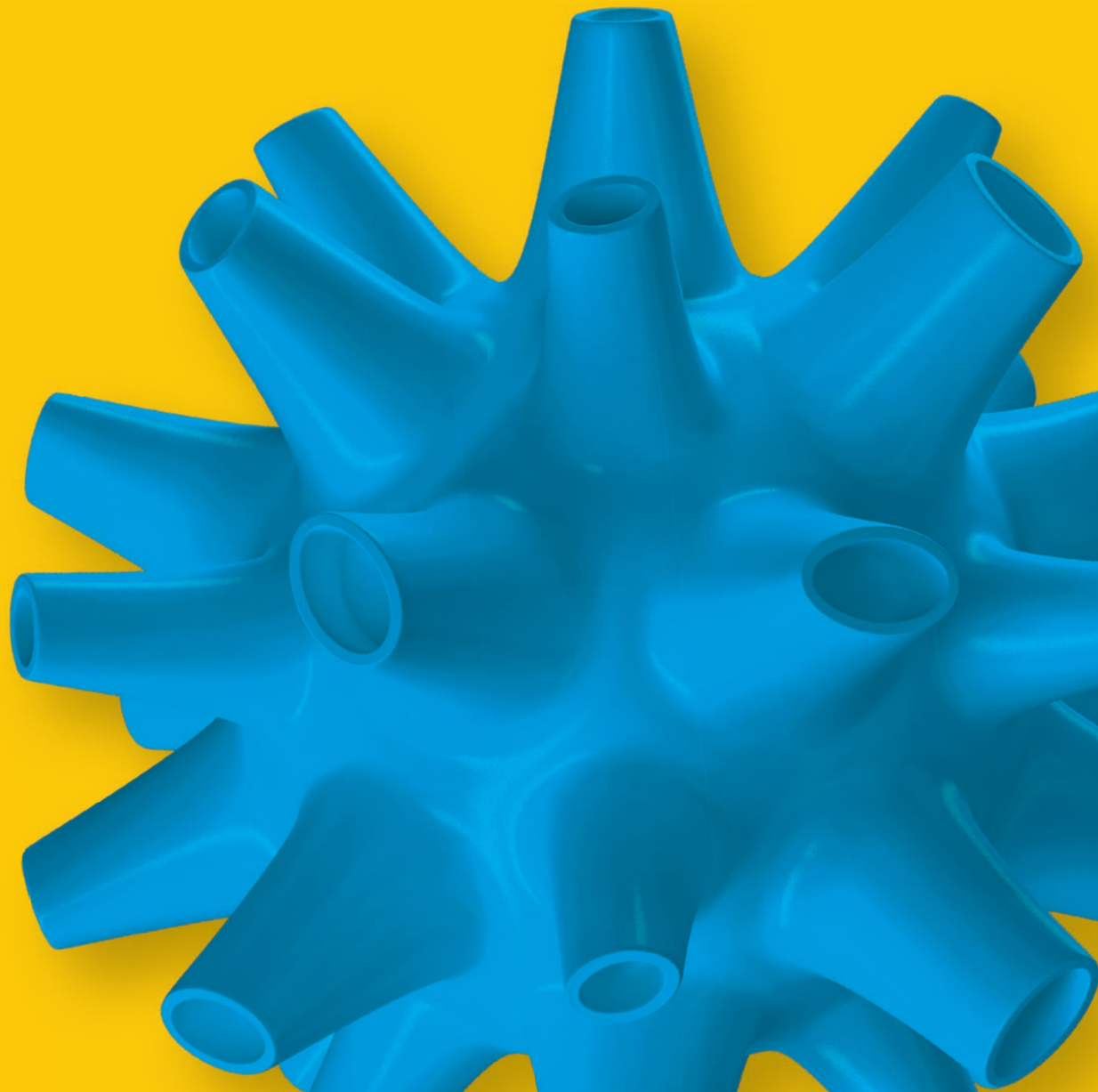
- Think, discuss, and speak up!

1

Our guiding principles

We know where we're
going because we know where
we've come from



What drives us

We live in a world full of possibilities that is constantly being transformed by new ideas. This is the basis for progress.

Driven by scientific curiosity, at Merck we aim to advance technologies for life – this is what motivates us.

What we take responsibility for

As a global science and technology company, we influence living conditions and business practices in many countries. The success of our company depends on our ability to effectively manage our operations and generate profits. It depends in equal measure on us taking a conscious approach to examining the social and environmental consequences of our decisions and actions – in other words, it depends on us taking responsibility.

We see ourselves as global corporate citizens, and as such we act responsibly towards our employees, in cooperating with suppliers and business associates, for our customers, and in dealing with nature and resources.

We demonstrate this responsibility by participating and playing an active part in important initiatives, networks and associations and providing clear and transparent statements of our objectives.

We value both the dialogue and the controversial debates that these memberships create. They offer us an opportunity to see things from a different perspective and in new ways. We work to ensure that our suppliers and cooperation partners also know and apply our principles.

How our values guide us

We operate in many countries throughout the world. People from many different nations and social backgrounds work together at Merck.

We have made our values public in order to demonstrate what Merck stands for. Each one of us is required to take these values into account in our daily work and to act accordingly.

Why we provide rules and policies to guide our actions

This Code of Conduct demonstrates how we want to act and make decisions based on our values. Merck also has mandatory policies in place for specific topics and areas that must also be complied with. These serve to protect both each individual and our company. Each manager is called upon to ensure that every employee knows, understands, and follows the rules. Everyone at Merck is strongly encouraged to be attentive, to look closer, and to speak openly when there is something we can improve.

Our Code of Conduct and our policies cannot cover every potential situation. In our day-to-day work, difficult situations may also arise in which correct behavior is not always immediately clear. If employees find themselves in a situation like this and are unable to find answers in specific policies, they can find orientation in the principles specified in this Code of Conduct and in our company values. Supervisors and specialist departments are available as points of contact.

Note: All relevant departments and points of contact can be found on the intranet.

our values

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Our values

Integrity

ensures our credibility.

- Integrity is the cornerstone of what makes us credible to everyone.
- Integrity enables us to do what we say.
- Integrity obliges us to keep our promises.
- Integrity also means being able to say no.
- Integrity permits only those transactions and dealings that conform to our values.

Achievement

makes our entrepreneurial success possible.

- Achievement shapes individual and entrepreneurial ability.
- Achievement challenges and promotes our people.
- Achievement supports the personal development of our people.
- Achievement can be measured by the results obtained.
- Achievement ensures entrepreneurial independence.

Courage

opens the door to the future.

- Courage requires trust in one's own abilities.
- Courage leads to a healthy self-perception.
- Courage supports the competence needed to execute decisions in change processes.
- Courage means: We challenge ourselves.
- Courage opens us to new ideas.

Respect

is the foundation of any partnership.

- Respect is based on the concept of humanity and human dignity.
- Respect generates an atmosphere of esteem, fairness and recognition.
- Respect requires open and honest communication.
- Respect enables us to work successfully in different cultures and with different people.
- Respect means valuing achievement – yesterday, today and tomorrow.

Transparency

makes mutual trust possible.

- Transparency is the involvement of all stakeholders through information.
- Transparency makes our actions understandable.
- Transparency supports goal-oriented behavior throughout the company.
- Transparency creates reliability.
- Transparency promotes the participation of everyone in the company prepared to accept responsibility.

Responsibility

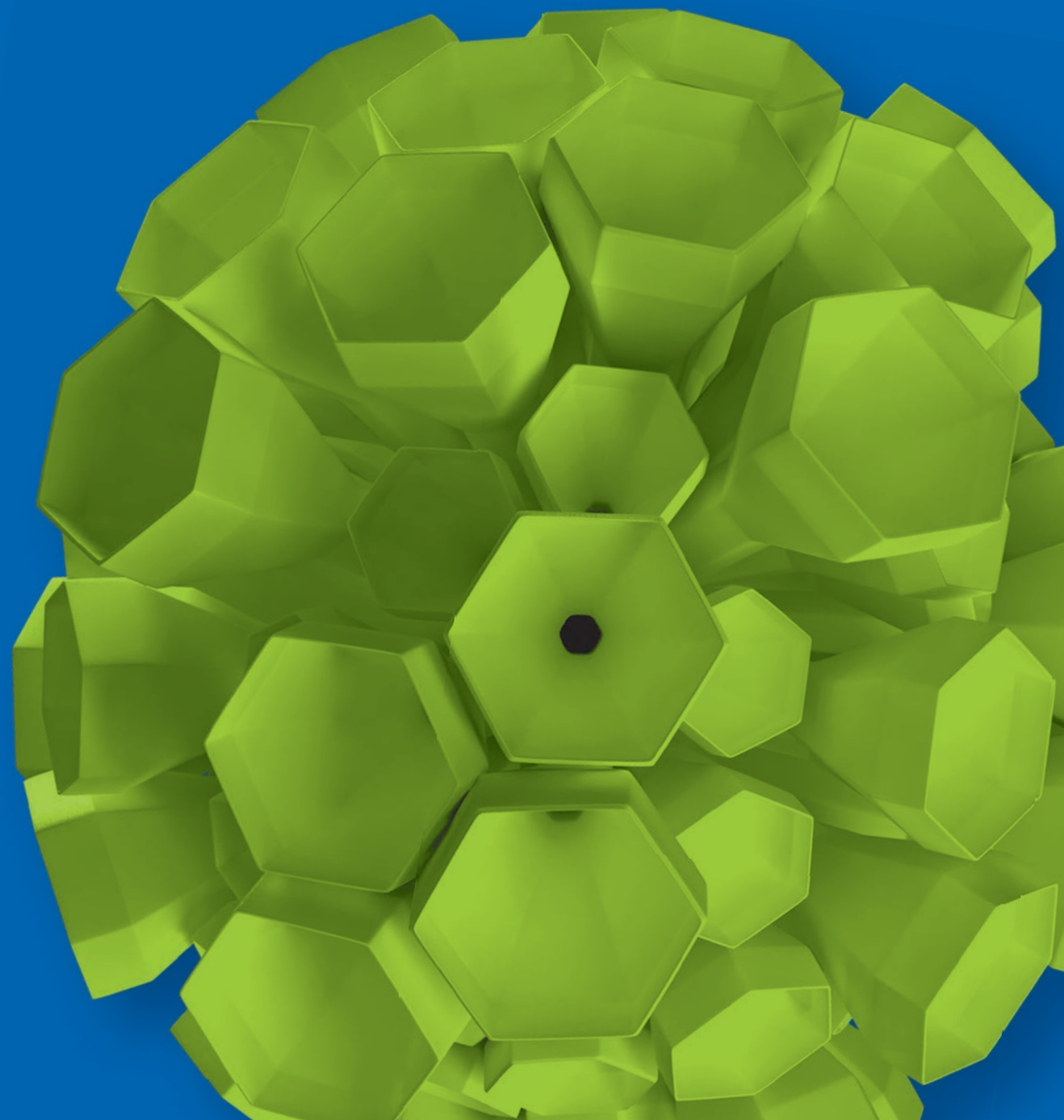
determines our entrepreneurial actions.

- Responsibility characterizes our behavior towards customers, employees, investors and service providers.
- Responsibility means treating our natural resources with care and vigilantly protecting our environment.
- Responsibility determines our business decisions, which we jointly endorse.
- Responsibility means setting a good example.
- Responsibility leads to recognition and acceptance of our business activities.

2

Core principles governing our actions

Responsible behavior is the key
to a successful future



We respect human rights and abide by the law

We are a global science and technology company – and we are aware of the responsibility that a global presence involves. We comply with statutory, social, and environment rules and standards around the world; we behave and decide on all levels in accordance with our internal ethical business principles.

We analyze the potential effects of our business dealings on human rights and how we positively impact the protection thereof.

The UN Global Compact (GC) is one of the most prominent initiatives for encouraging responsible corporate management. We became a signatory in 2005. Since then, we have continuously demonstrated the steps we are taking in order to implement the Global Compact principles in the areas of human rights, working standards, environmental protection, and anti-corruption in every country where we do business. We also expect our external business partners to uphold these principles.

Responsibility leads to recognition and acceptance of our business activities.

Our principles in the workplace

We are successful together, because as individuals we always have our eye on the big picture

Our company values help us to create a framework for collaboration. They motivate us to obtain and use knowledge across businesses and functions. Our corporate culture is characterized by our openness and our ability to learn from one another. We treat one another with respect: This enables us to identify common ground, recognize the contributions of colleagues from other cultures, and cooperate constructively.

We promote trustful collaboration

Our collaboration is based on mutual trust. This is the prerequisite for being open and honest with one another. We value one another and share different ideas and views in a constructive manner, thereby creating an inspiring and motivating working environment. Good collaboration gives us the strength to be courageous.

courage requires trust in one's own abilities.

We are committed to diversity and equal opportunity

The diversity of our workforce is our strength. We want to make the most of this infinite potential and to use our individual skills and talents to create new, innovative and creative solutions.

We can only achieve equal opportunity at Merck by ensuring that we do not marginalize anyone. Consequently, across Merck we do not tolerate discrimination against anyone owing to:

- Gender
- Cultural or national origin (ethnic origin)
- Religion or beliefs
- Disabilities
- Age
- Sexual orientation and identity

We do not tolerate any language or conduct that encourages an offensive or hostile working environment. We work together to create a climate of acceptance and mutual trust, treat one another with respect. We recruit, hire, train, and promote our employees based on this principle.

respect enables us to work successfully in different cultures and with different people.

We respect the dignity of all individuals

Merck uses a range of measures to promote an atmosphere of partnership in the workplace. Each employee's individual behavior contributes to collegial cooperation formed out of mutual respect. Harassment* of any kind violates personal dignity.

We strongly denounce any behavior that can lead to hostility or aggression towards our colleagues, business associates, or customers.

We promote a trusting and appreciative company culture that enables us to address conflicts openly and to treat one another with respect.

respect is based on the concept of humanity and human dignity.

* **Harassment** can take different forms, for example, intimidation, hostility, humiliation, or insults.

We respect each individual's privacy

Our respect for the individuality and self-determination of the individual requires that we protect the personal data* entrusted to us with maximum care.

In our digitized world, data can be collected, shared, and evaluated or used quickly and easily. It is therefore especially important that in our personal actions we take care to handle personal data responsibly. This includes data from employees, applicants, third parties, customers, patients, and study participants – both in personalized and pseudonymized* form.

We protect the data entrusted to us by handling it properly, using it only for the intended and authorized purposes, and considering the full rights of the data owner at all times.

Wherever possible, we obtain personal data directly from the relevant individual and maintain transparency about its usage. We protect the data from possible abuse by observing the prescribed safety precautions.

We respect the dignity of others when handling their data, and we reject anything that stands in opposition to that commitment, for example, unlawful telephone or video recordings or the mining of private information.

We are particularly respectful of highly sensitive information, such as data regarding health or religion.

We recognize the value of business information and handle it with care

Innovations, inventions, new products, as well as current sales figures and strategic developments are valuable information. They give us an edge in the market. We safeguard them as our proprietary information. We do not share them unless authorized to do so and protect them from unauthorized access.

We comply with the non-disclosure agreements we have set up with our external business partners, who place their trust in our reliability and our discretion. They can rely on us to handle confidential information* responsibly, just as we trust them to do the same.

We are exceptionally careful in how we handle all of our business dealings. We only share critical business information with people who absolutely need to know it.

We deal every day with confidential business information in various forms, including digital, written, and verbal form.

We always take the appropriate technical and organizational security measures that Merck has implemented to protect this information.

We are especially careful to protect commercial information in the public sphere; this applies to our communications on social media, on business trips, and in other public places.

We know that our behavior is the decisive factor in protecting business information and data from unauthorized access, modification, or loss.

Responsibility means setting a good example.

* **Personal data** is any information that refers to an identifiable natural person. For example: IP addresses of PCs, pseudonymized patient data, log files, lists of telephone numbers and dates of birth, photos and video recordings, bank details, car registration plates.

* Personal data is pseudonymized by replacing the name of the subject with an ID number. That makes it difficult to link the data to its subject.

* **Confidential information** is one of a company's most valuable assets. The information is the company's property and is protected by law in many cases. Proprietary information includes any information that is not publicly accessible and is highly valuable to us.

We are mindful when we represent Merck in public or when we talk about Merck in our personal lives

We are aware that we can be perceived as a representative of Merck, even in public or in our personal lives.

We only make official statements about Merck when we are authorized to do so: Interactions with the media are the responsibility of the members of our Executive Board, our Media Relations spokespersons, as well as official company representatives authorized and accompanied by our spokespersons. If we use social media for business communication, we familiarize ourselves with the rules on the use of electronic and social media on behalf of Merck for work purposes and strictly adhere to the guidelines.

When we take part in professional discussions as a Merck employee, for example on electronic forums or at conferences and events, we communicate responsibly* and formulate our statements clearly to avoid misunderstandings or misinterpretations.

If we express ourselves publicly about Merck or work-related topics as a private person, we always make it clear that we are expressing our own personal opinion and not that of Merck.

*** Examples of responsible communication:**

- All information on Merck and about our products and services must be correct, open, and presented in a balanced way.
- We do not make any questionable or disputable statements in relation to Merck products and services.
- We provide information relating to the safety of our products to our internal responsible departments immediately, or at the latest on the next day, if we obtain the information outside the working environment.

What we say and how we behave in public influences public perception of Merck.

We cooperate with inspections by authorities

Government authorities and other public agencies strictly monitor compliance with statutory and regulatory provisions. We are cooperative and support the inspections in line with the applicable requirements.

We ensure that our employees remain healthy and fit to work in the long term

We all want to work in a manner that is safe and healthy for us, our families, and Merck. That is why we jointly create working conditions that allow us to maximize our potential. We want to shape our working environment to achieve a healthy work-life balance and to enable the two aspects to enrich each other.

Employer and employee representatives work together in a spirit of mutual trust to address workplace issues. When differences of opinion arise, the goal is to create a shared, stable foundation.

We work together to ensure a safe workplace and are keenly aware of potential accidents.

We understand that our applicable safety guidelines serve to protect us and therefore we follow them conscientiously. We take local regulations as the minimum standard. If our global safety standards specify stricter requirements, then we meet the higher standards.

We openly voice safety concerns and immediately inform colleagues, supervisors, and safety experts on-site.

We protect the property and assets of our company

Our performance and dedication enable us to create new tangible and intellectual assets on a daily basis, for example, new production facilities, products and solutions, improved workflows, our brand identity, and our satisfied customers and long-term business relationships.

Our innovations and new products are highly valuable assets. That is why we safeguard our creative business ideas and innovative developments by considering at an early stage which property rights can be applied for.

We handle the assets of Merck with care. We ensure they are not wasted, misused, or used for the wrong purposes.

We ensure that all business transactions are correctly posted and recorded in our financial documentation and reports.

We do not tolerate intentional inaccuracies in bookkeeping and always prosecute in cases of fraud and breaches of trust. Each employee plays a part in maintaining and increasing the value of our company.

We aim for contributing to joint success

We are motivated and perform our tasks conscientiously and responsibly. We value the ideas and suggestions of all colleagues and managers.

With our individual knowledge and skills, we contribute to the overall success of the company. We do not insist on maintaining the status quo, but rather continually develop and qualify ourselves further for future tasks. We take responsibility for our own actions.

We see mistakes as an opportunity for improvement

We learn every day – for example, when we develop new solutions or master fascinating new tasks, or simply perform routine duties. We learn from new knowledge, new experiences, and insights, as well as from the mistakes we make.

We acknowledge mistakes directly and honestly, thus help to achieve improvement and to prevent possible damage to Merck.

Acknowledging a mistake sometimes takes courage.

courage leads to a healthy self-perception.

Management serves as a role model in everyday actions

Our managers understand that our values are our bond and that compliance with our Code of Conduct is the basis for good teamwork.

In one-to-one discussions characterized by trust and constructive team meetings, they ensure that their employees know what is required of them.

Our managers consistently conduct themselves in accordance with our principles and communicate how our company values - courage, achievement, responsibility, respect, integrity and transparency - allow a unique Merck culture to emerge.

integrity enables us to do what we say.

Our principles for dealing with external business partners and customers

We pay close attention to how we act because we want to treat our partners with respect

We work in respectful cooperation with customers and external business partners. The goal is to continually improve our products and services. At the same time, we invest heavily in research and development. The outcome of these activities is highly valuable to us. We look after and protect our valuable assets. After all, we want our products and services to succeed on the market.

We want to work with external business partners who are equally supportive of fair competition and act accordingly.

We stand for fair competition

Competition means convincing customers with ideas, innovations, and high-quality products, and gaining traction on the market as a result. That is fair competition. And that is exactly what we promote in all the countries in which we operate.

Competition may pose a challenge for us. This motivates us to achieve our goals, drawing on our services, expertise, and innovations.

We expressly decline unlawful agreements with other market players. This also applies to arrangements with other market players who aim to influence the market.

We are an innovative science and technology company, and that has enabled us to achieve a strong market position in several countries and industry segments. We take a responsible approach to this position and ensure that we do not impede other market players.

We view competition as a challenge and ensure that our products and solutions are among the best in the market.

achievement ensures entrepreneurial independence.

We cannot be bribed, and we do not offer bribes

Corruption damages competition and leads to decisions that are not made objectively because orders are not given to the supplier who makes the best offer, but to those who make bribes or offer other illegal advantages.

We stand for fair competition, in which the supplier with the best products and services prevails. Accordingly, we firmly reject all forms of corruption or attempts to gain improper influence.

We never make inappropriate offers to external business partners or other third parties to influence their decision in our favor. If inappropriate benefits* are requested from us in order to win a contract, we take action against them. We take care to ensure that we are awarded contracts based on our performance. We therefore decline inappropriate advantages from external business partners or other external third parties that are intended to influence us or could do so.

*** Inappropriate benefits**
These include, for example: cash payments or payments to suspicious accounts, for example slush funds, expensive personal gifts or improper invitations, and the granting of other advantages, such as private services without charge.

Appropriate advantages to third parties, for example low-value courtesies and invitations to business meals, are offered only if this complies with applicable laws and internal policies.

We employ due care to select the external business partners who support us, and we do everything in our power to ensure that they comply with applicable laws and Merck company principles.

Particular care is required when dealing with public officials*. We never influence public officials with inappropriate benefits – directly or indirectly. Appropriate advantages are offered to public officials only if this complies with applicable laws and company policies.

We condemn corruption. This means that if a possible case of corruption comes to our attention, we don't turn a blind eye. Instead, we report it so that the incident can be investigated by our responsible staff members.

Our business partners, customers, shareholders, employees, and the public place their trust in our integrity.

integrity also means being able to say no.

We make our cooperation with healthcare partners transparent

In the healthcare sector, we cooperate with many stakeholders including research institutes, doctors, pharmacists, hospitals, and patient organizations among others to ensure that complete and up-to-date information is available on diseases and treatment. Our cooperation with the scientific community and our commitment to healthcare always have patient well-being at heart – we want patients to receive treatment that is effective, safe, and of high quality.

Clinical studies

We conduct clinical research of the highest quality and always in accordance with applicable laws and regulations. When performing our clinical studies, we uphold the highest ethical and scientific standards worldwide.

Responsible marketing

Pharmaceutical advertising is strictly regulated around the world. When marketing our products, we abide by all statutory requirements and go much further, by imposing our own requirements on ourselves.

* **Public officials**
Public officials are individuals who hold public office. They are subject to particularly strict rules. They serve the public in their work and should not be open to bribes for the good of all. Public officials include for example employees of national and international organizations (among others United Nations, EU, WHO), members of political parties, candidates for political offices, and state-owned companies and non-profit organizations, such as research institutes.

Commitment to progress

We are committed to research and medical education worldwide. We want to make a contribution to medical progress that benefits patients. We disclose all grants or assistance that we provide to healthcare partners in compliance with applicable laws and codes.

Transparency surrounding financial and non-financial support to healthcare partners is of the utmost importance.

transparency makes our actions understandable.

We carefully weigh up our personal interests and those of Merck

We realize that there are situations where our professional judgment may come into conflict with our personal interests. When such a situation arises, we disclose our conflict of interest* by telling our supervisor about it at an early stage and consulting them on the right way to handle the situation.

Personal gifts and invitations

In everyday business, we deal mindfully and professionally with personal gifts and invitations offered to us by customers or third parties. We reject any offers that could influence us when making our business decisions and which could infringe upon the interests of Merck. If we have any doubts or concerns, we reject them.

When we accept gifts and invitations, we only accept them openly. This means that anyone may know about the gifts and invitations we have accepted.

* **A conflict of interest** may be any combination of factors that could result in our acting in a manner which is not in the best interests of Merck.

Ownership of interests in other companies/participation in committees

If a Merck employee wishes acquire interests in other companies or actively participate on supervisory or expert committees, he/she must openly disclose this with his/her supervisor in advance to determine whether there is any conflict of interest. We examine whether the involvement or activity can be carried out without damaging our personal reputation or that of Merck.

transparency creates reliability.

We keep insider information to ourselves and do not use it unlawfully

We treat as strictly confidential any information that could influence the price of our company's shares and is not (yet) in the public sphere and do not share this information without authorization, even with our families or those close to us.

We are a publicly listed company, and we support fair and sustainable securities trading. We do not use such insider information* to our advantage: We do not use this knowledge to purchase, sell, or recommend Merck shares or other Merck securities.

Responsibility characterizes our behavior towards customers, employees, investors and service providers.

We respect the intellectual property of others

We invest in research and development, and seek innovative solutions. It is important to us that others respect our intellectual property, and in return we of course respect the intellectual property of others.

We only use the intellectual property owned by others if we are certain that we are in possession of the corresponding rights of use, for example by obtaining licenses*.

Respect means valuing achievement – yesterday, today and tomorrow.

We carefully select our suppliers

For our business activities, we need to purchase raw materials, packaging materials, technical products, components, and services from reliable suppliers. We work in partnership with our suppliers. Our guidelines for ethical business conduct do not stop at the factory gate. We similarly call on our suppliers to conduct themselves in a way that is both lawful and fair. We expect them to comply with Merck's Responsible Sourcing Principles and to apply the same social and legal standards we put into practice within the Merck Group.

We use fair, transparent processes when selecting our suppliers and contractors, and regularly review our existing relationships based on defined sustainability criteria.

We do not tolerate any misconduct such as corruption, unfair competition, violation of environmental regulations, or substandard working conditions. We take rigorous measures in the event of breaches.

Integrity obliges us to keep our promises.

* **Insider information** means information that is not public, and which has an influence on the share price, for example:

- Unexpected profit changes
- Major corporate acquisitions or divestments
- Significant innovations

* **Examples of necessary licenses:**

- Patents or trademarks belonging to third parties
- Software on workplace computers
- Documents, texts, or images protected by copyright (for example, from the Internet)

Our principles on social responsibility

We know that we are part of society

We want to contribute to society and we pay close attention to how our business activities impact our environment and the people around us.

As a company, we set a good example: We voluntarily participate in national and international initiatives, and do much more than what's required. This is because it is important to us that universal standards for protecting people and the environment are implemented worldwide.

We take responsibility for our own activities as well as for the greater good

Embracing responsibility is part of who we are. We particularly participate in areas where we have specific expertise due to our business activities: We primarily support health, culture, and education projects, or we provide disaster aid near to our locations and in countries in which we operate. We are happy to do so because this enables us to provide practical assistance. The company welcomes the efforts of employees who are involved in volunteer work, whether in situations requiring emergency assistance or on an ongoing basis.

responsibility means setting a good example.

Product safety is always our top priority – in everything we do

Safety of chemical products

Chemical products must not pose any risk to people or the environment. Our company-wide policies ensure that we always comply with applicable national and international regulations on the protection of human health and the environment. We conscientiously follow these policies in the import, manufacture, marketing, handling, recycling, and disposal of our chemical products.

Safety of healthcare products

Our pharmacovigilance systems* for products ensure that the benefits of our products always outweigh the potential risks. In assessing benefits and risks on an ongoing basis, it is crucial that we carefully evaluate any information regarding potential side effects.

* **Pharmacovigilance** is the ongoing, systematic monitoring of the safety of medicinal products. Our pharmacovigilance system defines processes and structures that ensure that the safety of our products is continually monitored. This also includes ensuring that information relating to the safety of our products is processed as quickly as possible. That is why it is particularly important that we immediately, or at the latest on the next day, transmit the obtained information to our internal responsible departments even if we have obtained the information outside the working environment.

If we receive information about potential side effects of our products, we respond immediately. We forward the information immediately to our responsible local department for patient safety or to the dedicated central Merck e-mail address.

We make sure that information on risks and benefits associated with our products is always up-to-date and available to patients and doctors as part of summaries of product characteristics and package leaflets.

Transparency supports goal-oriented behavior throughout the company.

We treat life responsibly and ask ourselves which innovations and future technologies are ethically justifiable – and which are not

Continuing advances in science and medicine raise a wide variety of questions. What can we implement from a technical point of view? Do we want to do what we are able to do?

We seek internal discussions and work together with external bodies to discuss important topics in bioethics* that look to the future. These extend far beyond research topics. What long-term effects do our actions have on human life and health? Often, no consistent legal regulations are in place (yet) – so it's all the more important that we develop ethical principles for our decisions and activities.

We want to discover potential, recognize risks, reveal uncertainties, and discuss discrepancies. This is how we ultimately identify a solution that is right for everyone involved.

We comply with applicable customs regulations and global trade restrictions

We want our efforts to improve the quality of people's lives. At the same time, it is very important to us that our developments and products do not fall into the wrong hands* and are used in ways that could harm the health and welfare of human beings. For this reason, we strictly comply with all applicable rules on embargos, and trade and finance restrictions.

Our internal control systems ensure that we only supply trustworthy customers.

* **Bioethics** focuses on ethical questions in the field of research and development. How does the applied scientific, medical, and ethical knowledge affect humans? Is the protection of life guaranteed? Example: We develop therapies to treat infertility and therefore dedicate ourselves intensively to various associated bioethical issues.

Bioethics includes: medical ethics, genetic ethics, and the ethics of nature (plants and animals). Bioethics provides us with guiding principles on how we, as humans, can responsibly make use of the rapidly expanding potential offered by biological sciences and technologies in an ethically correct manner – for the greatest possible benefit of humans, while respecting all forms of life.

* **Examples of possible misuse by third parties:**

- We market high-purity chemicals for use in the food and pharmaceutical industries. Our product range includes sodium fluoride, which is used in the manufacture of toothpaste and to prevent cavities, for example. Sodium fluoride is, however, also a key ingredient in the manufacture of sarin – a chemical weapon.
- Microbiological resources that we provide to customers for research purposes could be misused to create biological weapons.

We act to conserve natural resources

Global processes, highly specialized products, a wide range of raw materials, production facilities, and transport processes are just a few examples that illustrate our demand for energy and natural resources. We are aware of this. This is why we use resources such as energy, water, and raw materials as efficiently as we can.

We consider creative solutions and improve our procedures with the aim of protecting resources or recycling used materials.

We set our own high environmental standards at our locations around the world.

Current information and regular clarification ensures that our employees know and abide by all regulations; it allows everyone to actively participate and help to protect the environment and conserve resources. Together, we can accomplish a lot.

Responsibility means treating our natural resources with care and vigilantly protecting our environment.

We conduct constructive and transparent discussions with the political community and society at large

As a leading science and technology company, we offer products that affect the lives of many people. As a result, we are closely involved in matters that concern people and issues that are relevant to society. We exert an active influence through our activities, yet at the same time we are influenced by sociopolitical developments.

We therefore make use of a range of options for conducting open, constructive discussions.

We seek to participate in policy debates, for example, when the goal is to evaluate the future impact of current decisions.

We are open to new ideas and to those who have them. We seek constructive dialogue with experts, organizations and institutions.

We present our opinion and provide open and transparent information and communication.

Transparency creates reliability.

We make our donations and sponsoring activities transparent

Our commercial success enables us to make donations to help non-profit organizations and allows us to provide funding to support research and development work at other institutions. We provide this support in addition to our own activities and view it as a contribution to society: for the benefit of all. We provide donations voluntarily, for no return, and abide by local laws and applicable regulations.

Sponsorship activities differ from donations – for sponsorship we expect something in return, for example the prominent placement of the Merck logo. The aim is to increase our profile and positively influence the public image of Merck. We ensure that our contributions are proportionate to what is given in return.

We document our donations and sponsorship activities and ensure transparency.

Transparency makes our actions understandable.

We provide the public with timely, complete, and honest information

We publish a wide variety of information – in specialist media and at conferences, as well as in our official communications*. Official Merck statements are issued by responsible Merck representatives. Many of our employees are involved in collecting data or disseminating information and reports internally. Certain information is included in regular reports, and sometimes we are required to publish reports for safety reasons. We are aware that we need to compile and publish internal reports promptly and accurately, and to answer all inquiries truthfully, for example from the media or the authorities.

Integrity is the cornerstone of what makes us credible to everyone.

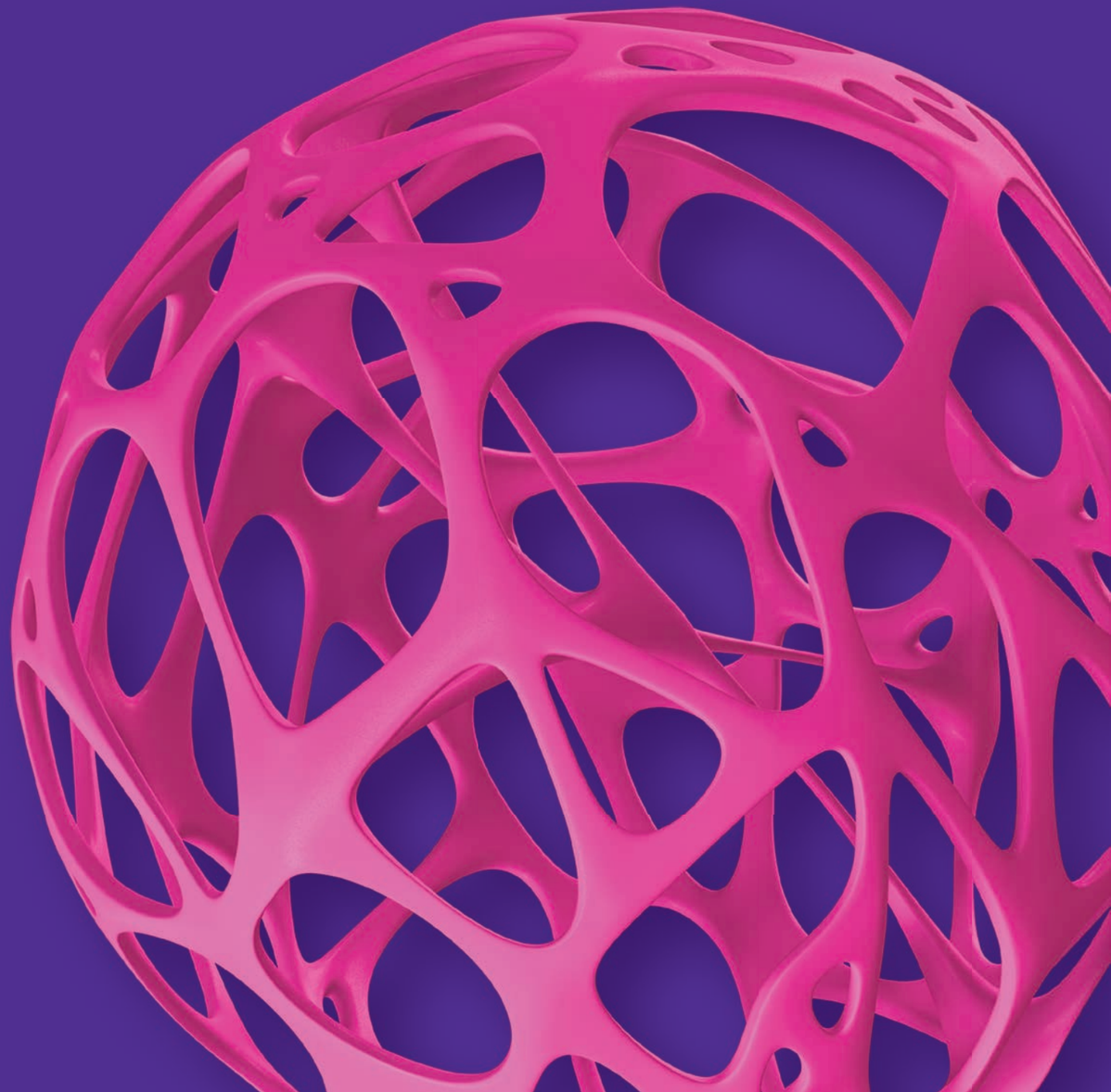
*** Examples of official communications:**

- Financial reports for the financial markets
- Corporate Responsibility Report (CRR) for the public
- Reports on the prevention of modern-day slavery and human trafficking
- Environmental reports for public authorities and stakeholders
- Reports for rating agencies
- Publication of research results
- Reports for industry initiatives
- Press releases about important company events that may have an effect on the share price (ad hoc communications)

3

Compliance with our core principles

We are all responsible for implementing **our code of conduct**



People – whether employees, customers, patients, external business partners, or fellow citizens – and their needs are our main focus at Merck.

Every one of us is responsible for implementing our Code of Conduct

Merck is a leading global science and technology company. Our corporate culture is rooted in a balance between tradition and modernity. Our company values and fundamental principles have been in place for many years and continue to develop along with the company*. Their purpose is also to keep us on the path to a successful future.

Local circumstances and special aspects in our businesses require additional, in-depth regulations. These regulations are also binding on us all.

Our compliance experts support management and employees

In addition to a wide range of other tasks, one of the main tasks of management is to establish rules, ensure compliance, and, if necessary, provide evidence that Merck as a company did everything it could to avoid damage or losses of any type. Our managers are supported in these efforts by a compliance team and other experts.

Our Code of Conduct* is firmly anchored in the Merck compliance program. The program also involves providing information on a regular basis and offering a comprehensive training program for all employees. After all, every individual in the company needs to understand what the Code of Conduct means and work to ensure that we act in accordance with it.

* **If it proves difficult to implement our fundamental principles** in a particular business or function, in a relationship with third parties, or in a certain country, we urge those involved to openly address the issue. This will help us to further strengthen our corporate culture, identify solutions, and, if necessary, clarify our Code of Conduct.

* **The Code of Conduct** is supplemented by detailed, topic-related policies, instructions, and provisions that deal with specific circumstances or issues.
Comprehensive information together with details of who to contact and central telephone numbers can be found on the intranet. The Code of Conduct and further policies can also be downloaded there.

Think, discuss, and speak up!

Our Code of Conduct and our policies stipulate fundamental principles. More in-depth training seminars and discussions help us to implement them in day-to-day situations.

If we're uncertain what decision we should make or what action we should take, we seek advice. For employees, their supervisor is the first point of contact.

Employees and managers can contact Human Resources or one of the specialist departments at any time. In day-to-day business, our experts provide support in assessing situations. They provide advice and help us to take appropriate concrete measures to avert or minimize business risks.

Our employees are also called upon to be alert, attentive, and to come forward if they suspect that internal or external rules are being breached. In this way, they can help us remedy shortcomings and prevent errors. Anyone who reports* information in good faith is protected against possible disadvantages resulting from their speaking up.

Our employees have access to various reporting methods for this purpose. Concerns can be reported to the employee's supervisor, the responsible specialist department, the HR department, or using the electronic SpeakUp line, and can also be anonymous if required. The SpeakUp line is provided by an external service company and complies with the highest standards regarding the protection of the identity of the person reporting an issue and the security of the information transmitted. The line is also available by phone 24/7 and can be used in all relevant national languages.

* **Reports** of (potential) breaches of the Code of Conduct can be made in person or using the electronic system (SpeakUp Line). Reports of potential non-compliance can also be made anonymously.

Who to contact to report violations:

- Supervisor
- HR department
- Group Compliance Office
- Local compliance office or the local compliance point of contact
- Responsible central department or on-site experts
- SpeakUp Line, by phone or online

All points of contact can be found on the intranet.

Integrity
Transparency
Respect
Achieve-
Ment
Respon-
sibility
Courage

Status: **July 2017**

The version currently available on our internet/intranet site is valid.

Detailed information on business ethics and compliance, further policies, list of contacts and helpful links for our employees will be found on Merck intranet portal.

Contact: compliance@merckgroup.com

Merck KGaA
Frankfurter Straße 250
64293 Darmstadt
Germany

www.merckgroup.com