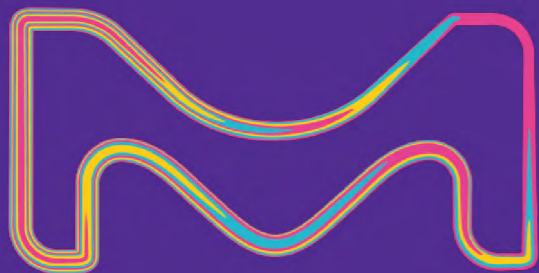


Merck China Sustainability White Paper 2024-2025



MERCK 默克

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Letter from Merck China President

Dear Readers,

Welcome to Merck China's 2024-2025 Sustainability White Paper!

We live in a decade defined by compounding change. Megatrends—from aging populations and chronic disease to AI and climate change—are raising the bar for science and technology to deliver innovation with lasting impact. As a leading science and technology company with a 357-year heritage, Merck believes that sustainable innovation is essential to human progress.

China is now one of the world's most dynamic arenas for sustainable transformation. From new energy vehicles to clean energy, the country's pursuit of high-quality, low-carbon growth is reshaping value chains, manufacturing paradigms, and collaboration models. This momentum resonates with our purpose and strengthens our conviction that science, scaled responsibly, can be a powerful force for good.

In China, we stand at the intersection of science, technology, and industry, where actions taken today will shape the future for generations. By embedding sustainability into our three business sectors—Life Science, Healthcare, and Electronics, our 4,400 colleagues in China are committed to creating measurable and tangible value for Merck, our customers, patients, industry partners, and society at large.

In this white paper, we outline how Merck China advances this ambition through four pillars:

● Elevating Humanity through Research and Innovation

Global innovation is shifting toward mission-driven science that pairs breakthrough discovery with measurable sustainability outcomes.

We integrate environmental considerations across the product lifecycle—from R&D to manufacturing, from packaging design to end-use—reducing our environmental footprint while safeguarding the quality, safety and performance.

We also advance solutions through industry-academia-research collaboration, including partnerships with the National School of Development at Peking University and the School of Low Carbon at Shanghai Jiao Tong University to strengthen low carbon management capabilities and pathways for green industrial transformation.

● Improving Well-being at Work via Inclusive Culture

Amid rapid automation and new ways of working, organizations that unlock diverse perspectives outperform in problem-solving and resilience. Inclusion has moved from a nice-to-have to a core driver of innovation, retention, and growth.

Belonging and inclusion are not only a social responsibility, but also a powerful catalyst for unlocking innovative potential. In China, our two Employee Resource Groups—*Women in Leadership and Generation Now*—foster diversity and collaboration. Through employee-driven initiatives like building support system and AI upskilling workshops, we empower our people to grow, connect, and thrive in an inclusive environment.

● Shaping a Sustainable Future with Low-carbon Manufacturing

The race to industrial decarbonization is redefining competitiveness as energy systems digitize and electrify. Value chains are being rewired for transparency, circularity, and renewable integration to meet net-zero commitments.

Aligned with China's "dual carbon" goals, we're advancing energy efficiency, renewable power, and circular-economy practices. In 2025, our Wuxi Manufacturing site received the *Climate Lighthouse Exemplary Award* at Shanghai Climate Week, while our Nantong and Zhangjiagang Manufacturing sites were recognized as *Outstanding Cases* for their energy efficiency management and circular economy practices.

Merck is partnering with Envision & China Resources to advance our goal to source 80% of purchased electricity from renewable sources by 2030. Beyond our own operations, we actively support supplier carbon-reduction initiatives to enhance low-carbon resilience across the value chain from the source.

● Building a Better Society through Corporate Citizenship

With aging populations and uneven distribution of healthcare resources, societal needs are changing. Collaboration is essential to advance the translation of scientific discoveries to positively impact more people.

In China, we act through public health advocacy in reproductive health and cancer prevention and treatment—expanding access to quality care for more patients. We also promote educational equity



Marc Horn
President,
Merck China

and social mobility: our SPARK program integrates STEM education into rural schools, and our *Altruism Leading the Future* initiative helps university students from central and western China broaden their career opportunities.

Looking ahead, Merck China will turn ambition into action: deepening investments across Life Science, Healthcare, and Electronics; scaling low-carbon manufacturing; and expanding talent, safety, and inclusion. But we cannot do this alone. We call on customers, suppliers, policymakers, academia, and community partners to join us—co-developing low-carbon solutions, accelerating responsible adoption of AI and advanced materials, and expanding access to quality healthcare and STEM education. If we align science with purpose and act with urgency and accountability, we can build a healthier, greener, and more inclusive future together, fulfilling our vision of "sparking discovery, elevating humanity".

Corporate Profile

Merck at a Glance

We are Merck, a leading science and technology company that sparks discovery to elevate humanity.

Science is at the heart of everything we do. It drives the discoveries we make and the technologies we create.

We make a positive difference to millions of people’s lives every day. Our constant curiosity and specialist approaches drive our partnerships and bring new ideas to life. From advancing gene-editing technologies and discovering unique ways to treat the most challenging diseases to enabling the intelligence of devices - Merck¹ is everywhere.

We trust in the talent and passion of our curious minds. Our work is fueled by our belief in science as a force for good. We work to enhance the human experience and create more joyful and sustainable ways to live.

Merck’s history

Merck has a 357-year history as a family-owned enterprise. In 1668, Friedrich Jacob Merck purchased Engel-Apotheke (Angel Pharmacy) in Darmstadt, Germany, marking the birth of Merck. Today, Merck operates in 65 countries worldwide with more than 62,000 employees, achieving sales of €21.2 billion in 2024.

Our name is “Merck”

Merck, Darmstadt, Germany holds the global rights to the "Merck" name and brand, with the exceptions of the United States and Canada. Merck’s three business sectors: Life Science, Healthcare, and Electronics are known as “MilliporeSigma”, “EMD Serono” and “EMD Electronics” in these two countries, respectively.



Note: 1. In this report, “Merck” refers to Merck KGaA, Darmstadt, while “Merck China” refers to all of our operational entities in China.

Merck in China

As a vibrant science and technology company, we strive to sustainably impact every life in China.

Merck has been in China for more than 90 years. In 1933, Merck founded E. Merck Chemical Co., Ltd., its first subsidiary in Shanghai. Currently, Merck employs over 4,400 people in China and has 21 legal entities in locations including Beijing, Shanghai, Nantong, Wuxi, Suzhou, and Hong Kong, fulfilling its strong commitment of “In China, for China”.

Today, China is Merck's second-largest market globally, with sales of nearly €3 billion in 2024. Over the past decade, Merck has significantly deepened its footprints in China, with substantial investments totaling nearly 7 billion RMB. Merck has established manufacturing sites, laboratories, and warehouses in Shanghai, Nantong, Suzhou, Wuxi, among other locations, and has entered into multiple strategic cooperation agreements with local partners.

As we look back on the past 92 years of Merck's development in China, we firmly believe that the positive power of science and technology will drive us forward, push the boundaries of possibility, and contribute “Merck power” to enhance the life experience of all mankind.

Merck in China

Main businesses



Life Science



Healthcare



Electronics

Business scope



21
Legal entities



7
Manufacturing sites



3
Research and
Development centers

● Three Main Businesses



Life Science

Together, we impact life and health with science.

With more than 300,000 products, we offer one of the broadest portfolios in the industry for scientists and labs, pharmaceutical development and manufacturing. Our vision is a world where our innovative products, services and digital offerings help create solutions for people globally and a sustainable future for generations to come.



Healthcare

As One for Patients

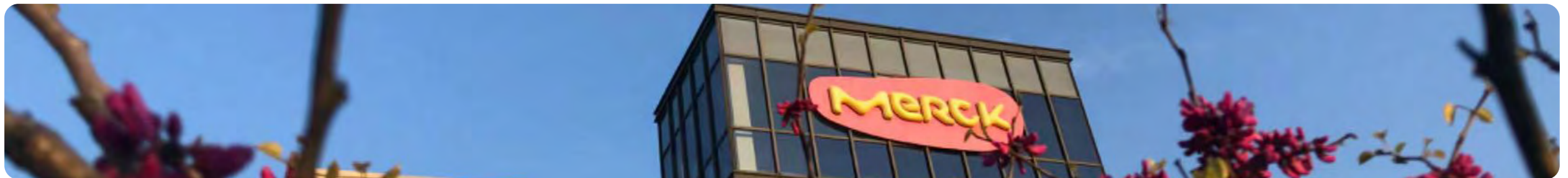
We are united by our purpose to help create, improve, and prolong lives – As One for Patients. We are developing solutions covering the entire "circle of life". We focus on four therapeutic areas: (1) Fertility, (2) Cardiovascular, Metabolism and Endocrinology, (3) Oncology (4) Neurology & Immunology. At present, we operate 13 products in China.



Electronics

Advancing digital living

In the field of electronics, we provide a wide range of products and solutions based on material innovations to enable the future of electronics in our data driven world. Our high-tech materials and solutions are widely used in electronic devices such as TVs, mobile phones, and tablets, as well as in the semiconductor manufacturing, and automotive industries. These products and technologies are changing the way we access, store, process, and display information.



Awards and Recognition (2024 – 2025)

Brand Impact

Named to Fortune China ESG Impact List 2025



2024 ESG Alliance Leaders of the German Chamber of Commerce in China



Association of International Chemical Manufacturers (AICM) "2025 Responsible Care® Company Award, Responsible Care® & Sustainability Initiative Award"



Shanghai Climate Week 2025 Climate Lighthouse Exemplary Award



China Association of Pharmaceutical Commerce (CAPC) "2024 ESG Green Practice Award"



2024 Carbon Neutrality Ecosystem Contribution Award on the Chinese Enterprises Carbon Neutrality Performance List hosted by YICAI



Employer Brand

JOBS "2025 Top Graduate Employer Brands" Award



2024 DEI Leader Award of the European Union Chamber of Commerce in China



Employer Branding Institute "2024 DEI Employer Award"



Human Resources Association (HRA) 2024 "China's Best Employer"



Aon 2024 Best ESG Employer and Best DEI Practice Award



Milestones of Merck in China

Merck's China Story Began a Century Ago



1888

Visiting China on a trip around the world, Willy Merck wrote in a letter, "I absolutely believe that, should it wish to, China shall become considerably more powerful than any other nation".



1931

Schmidt & Co. became a commercial agent for Merck in southern China.



1933

Merck officially came to China and set up its first subsidiary, E. Merck Chemical Co., Ltd., in Shanghai.

Merck's Milestones in China over the Past Nine Decades

1933

E. Merck Chemical Co., Ltd., was founded in Shanghai

1995

Establishment of Representatives in Beijing, Shanghai, and Guangzhou

1997

Founding of Merck (Shanghai) Trading Co., Ltd.

2007

Acquisition of Serono

2009

Merck Biopharma China R&D Hub established in Beijing

2010

Acquisition of Millipore

2013

Liquid Crystals Center China opened in Shanghai

2014

Acquisition of AZ Electronic Materials

2019

- May.** | Merck Shanghai office relocated to New Bund
- Aug.** | Nantong GSP warehouse completion
- Sep.** |
 - Merck Awards Grants to four Chinese Biotechs focused on Cancer Immunotherapy
 - Merck launched its first flagship store on Alibaba's 1688.com to improve customer service
 - Acquisition of Intermolecular
- Oct.** | Acquisition of Versum

2018

- Merck marked its 350th anniversary
- Apr.** | Nantong site completed the commercial repackaging
- Jun.** | OLED Technology Center went into operation
- Jul.** | Merck China announced collaboration with Xi'an Janssen to launch Invokana® for the treatment of type 2 diabetes
- Sep.** | China's first Mobius® Single-use Manufacturing Facility in Wuxi opened
- Nov.** | Merck SAFC® upstream technology R&D Center opened in Shanghai

2017

- Technology Application Network China for Electronics expanded in Shanghai
- BioReliance® End-to-End Biodevelopment Center opened in China
- Display Patterning Materials R&D Center opened in Suzhou

2016

- Nantong Pharmaceutical Manufacturing Site inauguration
- Merck Display Materials Shanghai R&D Center opened
- First phase of the future Life Science Center began

2015

- Launch of Merck vibrant brand
- Acquisition of Sigma-Aldrich, which is Merck's largest acquisition project to date

2020

Mar. | Merck Pharmaceutical Distribution (Jiangsu) Co., Ltd officially commenced operation

May. | Merck launched Chengdu warehouse to enhance customer service in Life Science

Jul. | Merck opened its largest M Lab™ Collaboration Center in Shanghai

Sep. | Merck launched Guangzhou warehouse to enhance customer service in Life Science

Nov. |

- Merck officially launched its vibrant Chinese logo **MERCK** 默克
- Merck Life Science's Wuxi Mobius® disposable technology product manufacturing base achieves nationwide large-scale supply.
- Merck kicked off the construction of its first OLED material production base in China and unveiled a new plan to invest and build the Electronics Technology Center China

2021

Mar. | Right after its name change, Electronics made its debut at SEMICON China 2021

Jul. | Merck participated in 2021 World Artificial Intelligence Conference

Oct. |

- Merck's new anti-hypertensive drug Concor® AM (Bisoprolol/Amlodipine) was officially launched in China
- Merck collaborated with Bio-valley (Beijing) Technology Co., Ltd on a biotechnology R&D platform to support talent development in China
- Merck launched operations for its warehouse in Beijing

2022

Apr. | Merck announced to invest 100 million euros to expand Mobius® Single-Use manufacturing center in Wuxi

Aug. | Merck celebrated the 100th anniversary of Glucophage® (Metformin)

Sep. |

- Merck inaugurated the newest and comprehensive Electronics Technology Center China and launched operation of the first OLED materials production site in China
- Merck commenced the construction of its Integrated Semiconductor Solutions Site in Zhangjiagang
- Oct. |** One-year anniversary of the launch of Concor® AM in China
- Nov. |**
- Merck announced collaboration with Biotheus to accelerate drug submission and approval process for biopharmaceutical industry in China
- Merck Life Science celebrated structure completion for its first Asia Pacific Mobius® Single-Use Manufacturing Center Expansion

2023

Jan. | CONCOR AM® and new indications of Erbitux® were successfully included in the National Reimbursement Drug List

Feb. | Shanghai issued the Regional Headquarters certification of Multinational Companies to Merck China

Jun. | Merck Life Science announced an investment of approximately 70 million euros to expand its highly purified reagent production in China.

Jul. | Merck celebrated its 90th anniversary in China.

Merck's warehouse and distribution center at the Zhangjiagang semiconductor integration base were completed and put into operation.

Aug. | Merck Healthcare announced a strategic collaboration with Yuanxin Huibao.

Sep. | Merck Electronics signed the agreement with Bio-Intelligence Valley to build the OLED R&D and Application Center in Chengdu.

Oct. | Merck Healthcare announced a strategic collaboration with Jiangsu Hengrui Pharmaceuticals Co. Ltd. for the next-generation selective PARP1 inhibitors and antibody-drug conjugates.

Dec. | Merck Healthcare announced a license agreement with Shanghai-based Abbisko Therapeutics Co. Ltd. for pimicotinib. TEPMETKO® (Tepotinib) approved in China for advanced NSCLC with METex14 Skipping Alterations.

2024

Jan. | Merck signed a ten-year green power agreement with China Resources Power, comprehensively reducing its operational carbon footprint in China.

Feb. | Merck's MET inhibitor TEPMETKO® (Tepotinib) was commercially launched.

Mar. | Merck Life Science expanded its M Lab™ Collaboration Center in Shanghai.

Apr. | Merck's office building at the Integrated Semiconductor Solutions Site in Zhangjiagang was officially inaugurated.

Jul. | Nantong: Merck Began Commercial Production of First GMP-Compliant Manufacturing Line for Cell Culture Media in China.

Aug. | Merck's Glucophage® XR (Reduced Mass) officially approved

Sep. | Merck China launches its Healthcare Flagship Store on JD.com

Oct. | Merck's MAR product Pergoveris® launched in the Guangdong-Hong Kong-Macao Greater Bay Area

Nov. |

- Merck's oncology drug Tepmetko® (tepotinib hydrochloride) included in the National Reimbursement Drug List (NRDL)
- Merck signed green electricity procurement agreement with Envision Group

2025

Mar. | Merck entered into a strategic partnership with Roche to advance the commercialization of Tepmetko® (tepotinib hydrochloride) in mainland China

Apr. | Merck collaborates again with Hengrui Pharmaceuticals to drive the

commercialization of an oral GnRH antagonist in MAR field

Jun. | Merck reached a strategic partnership with Zelgen to advance the commercialization of recombinant human thyroid-stimulating hormone (rhTSH) in China

Sustainability Strategy

Sustainability is one of the key priorities of our Group strategy. We create long-term value through our core business practices while seeking to balance environmental, social and governance aspects – for us, for our stakeholders and for society at large.

Merck respects the interests of employees, customers, investors, and society at large, and integrating sustainability throughout the entire process—from research and development to manufacturing and product lifecycle management. We continuously strengthen our identification and management of ethical, environmental, and social risks, ensuring that our products are innovative while meeting stringent sustainability standards, and actively supporting our customers in achieving their own sustainability goals.

Merck's Sustainability Strategy and Goals

01 PRODUCTS
Dedicated to human progress

In 2030, we will achieve human progress for more than one billion people through sustainable science and technology.

Our Focus Areas

- Sustainable innovations and technologies for our customers
- Impact of our products on health and wellbeing

Focus SDGs



02 PEOPLE & PROCESSES
Partnering for sustainable business impact

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

Our Focus Areas

- Sustainability in our ways of working and decision making
- Caring for our people and communities
- Sustainable and transparent supply chain

Focus SDGs



03 PLANET
Reducing our ecological footprint

By 2040, we will achieve climate neutrality and reduce our resource consumption.

Our Focus Areas

- Climate change and emissions
- Water and resource intensity

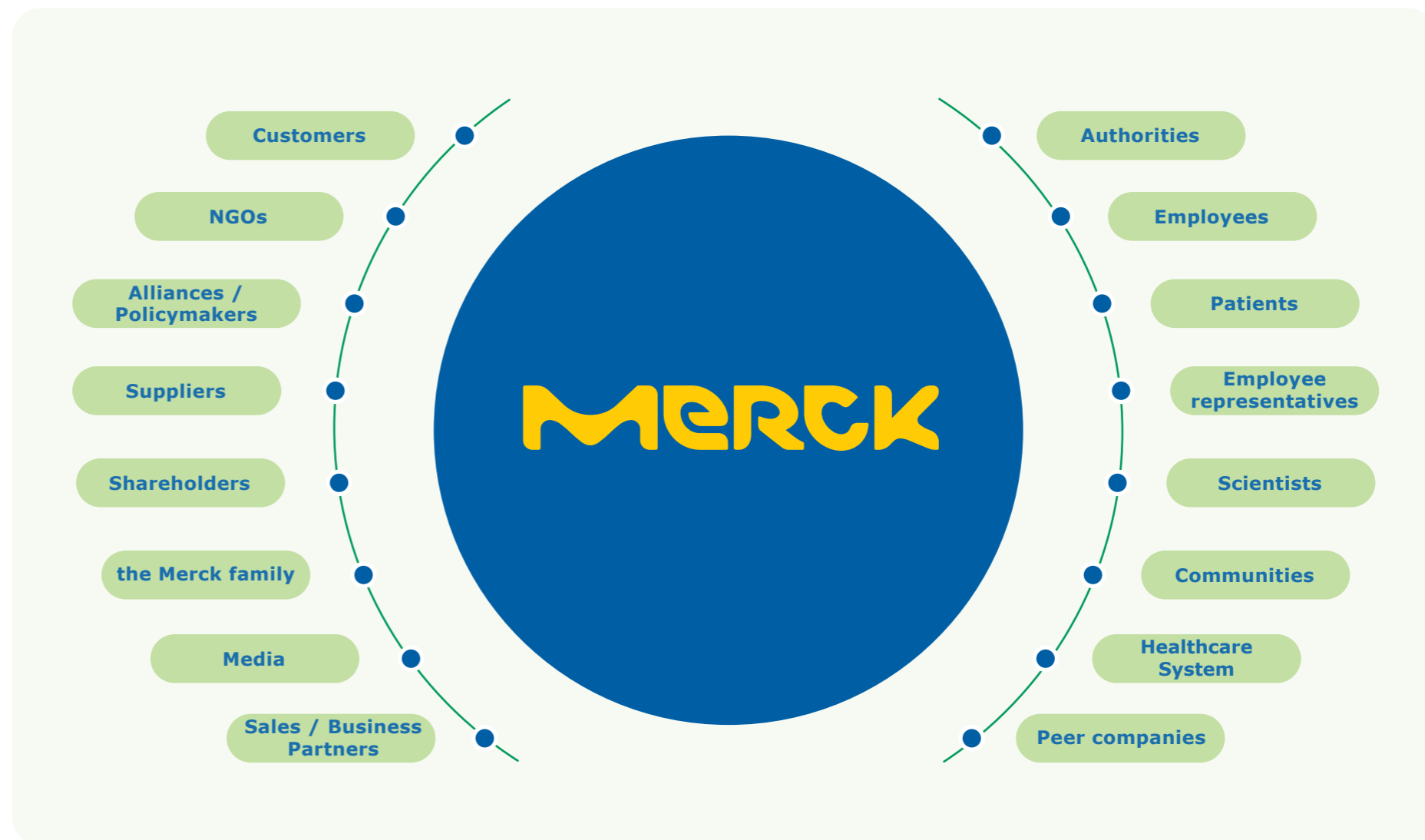
Focus SDGs




● Stakeholder Engagement

Our business activities converge with the interests of many people, which is why engaging with our various stakeholders is particularly important to us. Our key stakeholders include our employees, customers and business partners, patients, the Merck family (the majority owner of our company), shareholders, and our suppliers.

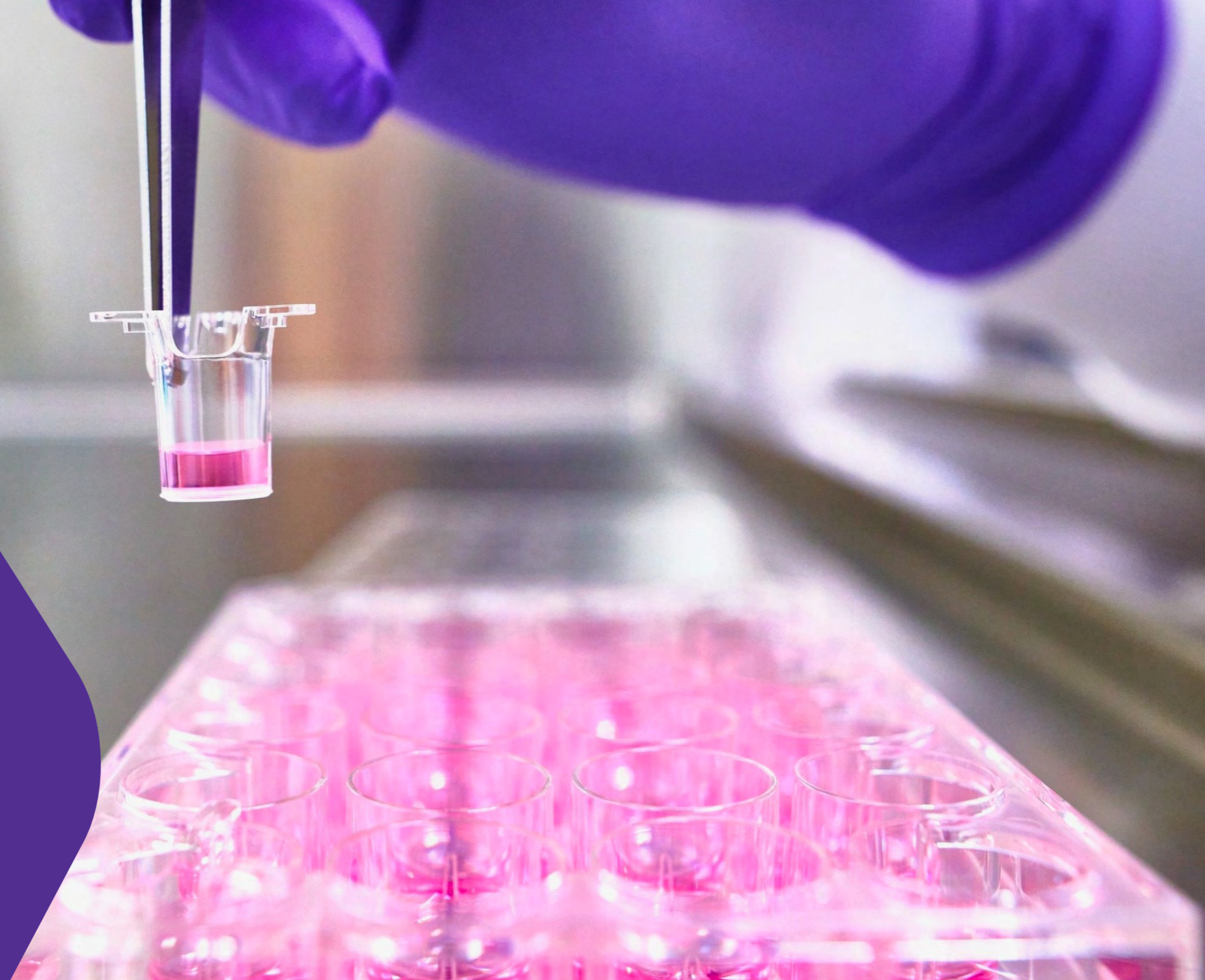
We maintain continuous contact with these groups through a variety of channels, such as stakeholder surveys, issue specific dialogues, round-table discussions, and information forums. We also engage our stakeholders through our advocacy work and industry coalitions.



MERCK 默克

01

Sustainable
Innovations for
Humanity



Chapter Introduction

Amid the China dual-carbon goals and the wave of green transformation, corporate innovation and sustainability are increasingly intertwined. Merck firmly believes that science is not only a driving force for industrial progress but also a key engine for elevating humanity and global sustainability. In the face of multiple challenges — including climate change, resource constraints, and societal needs — Merck regards sustainability as a cornerstone of its long-term strategy. Guided by the vision of “Sparking Discovery, Elevating Humanity” we actively explore a green and sustainable future.

Sustainable Products, Leading the Industry’s Green Upgrade

Merck recognizes that every innovation is not only a technological breakthrough but also a commitment to responsibility. We continuously integrate environmental considerations across the entire product lifecycle—from research and development to manufacturing, from packaging design to end-use—striving to reduce environmental footprints while balancing safety and performance. By systematically optimizing material selection, enhancing energy efficiency, and embracing circularity, we help customers and partners achieve a low-carbon advantage in a competitive landscape.

Localized Collaboration, Building a Sustainable Ecosystem

China is a key part of Merck’s global strategy. We continuously advance localized development to deliver sustainable solutions that are closely aligned with market needs. By strengthening local R&D, manufacturing, and supply chain management, Merck not only accelerates the implementation of innovations but also empowers local partners to enhance their sustainability capabilities, creating a green collaborative ecosystem. We firmly believe that only through close engagement with the industry chain, customers, and society can we achieve a win-win balance of economic and environmental value.

Industry–Academia–Research Integration, Cultivating Future Green Momentum

Green transformation relies not only on cutting-edge technology but also on knowledge and talent. Merck actively builds platforms for industry–academia–research collaboration, advancing innovative ideas from the laboratory to industrial application. Through deep partnerships with universities, research institutions, and industry organizations, we continuously explore frontier pathways in low-carbon technology, green manufacturing, and the circular economy. At the same time, Merck cultivates professionals with both global vision and local practical expertise, ensuring steady progress for the company and the industry on their path towards sustainable development.

Protecting Product and Patient Safety

We strictly adhere to local and global safety regulations, leveraging innovative technologies and digital tools to ensure compliance and safety across the entire lifecycle of chemicals and pharmaceuticals. By establishing dedicated teams to continuously monitor regulatory changes and medication risks, we maximize the protection of product integrity and patient health.

Performance Highlights

As of the end of 2024, we have added **12,100** more environmentally friendly alternative products to our global Life Science portfolio. In China, we offer **over 7,000** green alternatives across nine series, including green solvents, providing customers with a wide range of sustainable options.

Stericup®E & Steritop®E filtration systems developed using the DfS can significantly reduce plastic usage by up to **48%**, reduce packaging materials by up to **69%**, and reduce biohazardous waste.

Through the Mpack Sustainable Packaging Program, some products’ outer packaging sizes reduced by **40%**, and a Slim Pack truck can save **55%** more space per shipment, and the transportation efficiency is improved, reducing CO₂ emissions by **33%**.

The licrivision® technology, used for privacy control or solar control, could effectively reduce energy consumption.

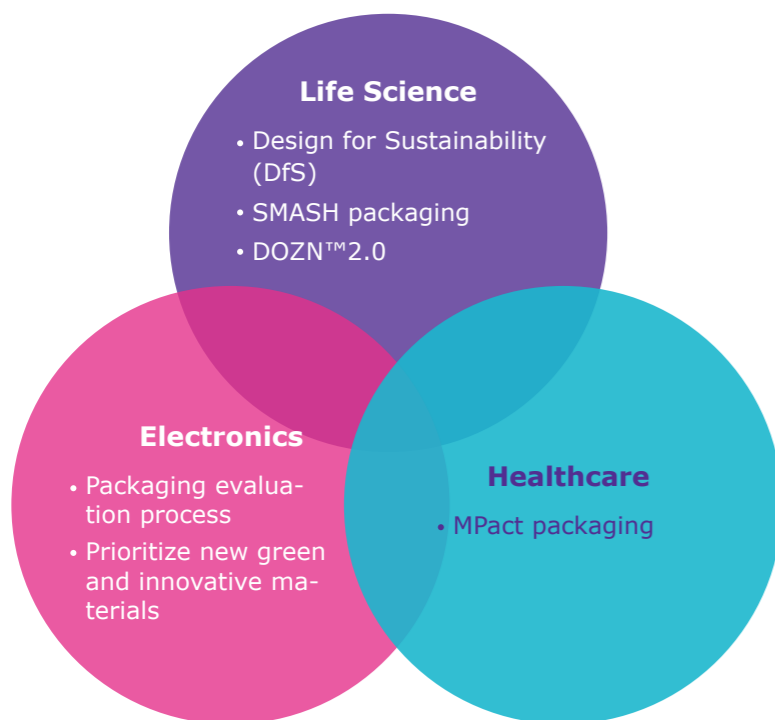
Since 2015, we have partnered with multiple research foundations to support more than **250 research projects**, advancing medical research capabilities and clinical practice in China.

Over the past 15 years, in collaboration with the National School of Development at Peking University, we have cultivated **more than 300** mid- and senior-level managers with both global vision and local management expertise.

Sustainable Products Design

We are committed to continuously improving and integrating sustainability and our circular economy criteria within our R&D processes to improve our sustainability performance in our product portfolio.

Merck China Sustainable Product and Packaging Design Method



Life Science

We adopt a data-driven approach to reduce the negative impacts of our products on health and the environment across their entire lifecycle—from procurement and manufacturing to packaging, use, and disposal. Our goal is to make products more efficient and user-friendly. Accordingly, we actively integrate sustainability requirements during product development and redesign stages.

▶ DOZN™ 2.0 (Design for Sustainability, DfS)

In our Life Science business sector, we try to reduce the environmental impact of the entire product lifecycle with DOZN™ 2.0, a Quantitative Green Chemistry Evaluator, and Design for Sustainability (DfS) consulting. DOZN™ 2.0 is the first quantitative, industry-first tool that uses the 12 principles of green chemistry for comparing the relative greenness of similar chemicals, synthetic routes, and chemical processes.

For example, the solvent Cyrene™, developed with DOZN™ 2.0, is made of recycled waste cellulose and is therefore safer and more environmentally friendly.

DfS is our gold-standard design approach for our product design. Throughout the Product Development Process (PDP), DfS-Development ensures a comprehensive focus on sustainability when developing and engineering products.

For example, Stericup®E & Steritop®E filtration systems developed using the DfS can significantly reduce plastic usage by up to **48%**, reduce packaging materials by up to **69%**, and reduce biohazardous waste.



Healthcare

▶ SMASH and Mpack Sustainable Packaging Program

We are implementing the MPact Sustainable Packaging Initiative. This initiative follows the SMASH Sustainable Packaging Framework, ensuring that we can safely and reliably deliver products to customers while reducing the environmental impact of packaging.

SMASH Sustainable Packaging Framework

Optimize resources

- Shrink: Reduce packaging usage



Sustainable materials

- Secure: Realize zero deforestation
- Switch: Improving the sustainability of plastics



Design for Circular Economy

- Save: Maximizing Recycling and Utilization

The Gonal-f® and Ovidrel® prefilled injection pens are now available in Slim Pack, convenient and environmental friendly.



The outer packaging sizes reduced by **40%**



A Slim Pack truck can save **55%** more space per shipment



Improved transportation efficiency, reducing CO₂ emissions by **33%**



Plastic inserts are replaced by recyclable paper materials to reduce plastic pollution, which can reduce plastic waste by **180 tons** per year.

Electronics

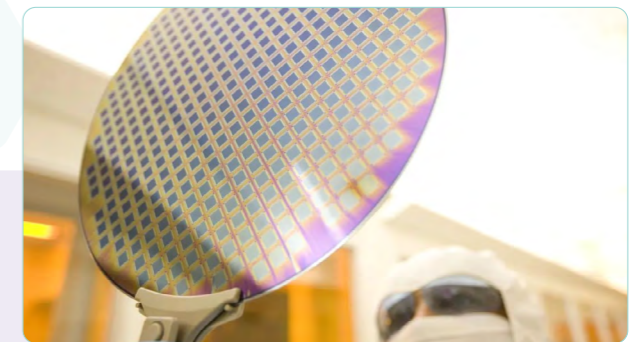
▶ licrivision® liquid crystal materials reduces energy consumption

In our Electronics business sector, we prioritize new green and innovative materials and continue to provide innovative and sustainable products.

While meeting the multiple display demands of large size, high resolution, and low power consumption, we also place great emphasis on the sustainable energy efficiency of liquid crystal materials. The licrivision® technology, used for privacy control or solar control, can change the transparency or light transmission of glass with a single click. Without compromising the key qualities of the glass or altering the clarity of the view, it enables privacy protection or creates a comfortable indoor climate, thereby effectively reducing energy consumption.

▶ Green Solvents for Sustainable Development

Merck's "AZ® Remover 910" is based on a new, special chemical formulation that does not contain NMP (N-methyl pyrrolidone), which is extremely economical, environmentally friendly and widely applicable. This AZ® Remover 910 removes photoresist in less than three times the amount of solvent, saving costs and reducing the environmental impact of scrap.



Local Partnerships and Innovation

In China, our Healthcare team actively collaborates with and supports multiple research foundations to drive breakthroughs in research and treatment for various diseases, contributing to the continuous advancement and capability enhancement of medical technology in China.

R&D Projects Funded by Merck China in 2024

▶ Thyroid Research Program of Young and Middle-aged Physicians

Since 2015, Merck China has sponsored the "Young Doctors Thyroid Research Program," which continues to this day. This initiative aims to enhance the research capabilities of young doctors in the thyroid field and promote the generation of more localized data, ultimately improving patient care. To date, we have received 1,337 research proposals, out of which 164 researches have been awarded research funding following academic evaluations by expert review committees.

▶ Innovation Research Grant

Initiated by the "Bethune Charity Foundation Beijing," this Fund aims to support transformative research in the field of EGFR monoclonal antibody-related colorectal cancer and head & neck tumors. Merck provides funding support for innovation incubation research projects, which have received over 100 research applications since 2024 and have ultimately supported 32 researches, further enriching clinical data in China and enhancing research capabilities in the fields of colorectal cancer and head & neck tumors.

▶ Diabetes Research Program of Young and Middle-aged Physicians

Sponsored by the Bethune Charity Foundation and supported by Merck China, the "Diabetes Young Doctors Research Fund Project" has been ongoing for 10 consecutive years. It has received over 830 research applications, enriching Chinese data and advancing scientific research and clinical practices in the field of diabetes, ultimately benefiting more patients.

▶ Fertility Research Program of Young and Middle-aged Physicians

Since 2021, Merck China has collaborated with the Beijing Health Promotion Association to support the Fertility Research Program. To date, 56 researches have received funding, aiming to advance research, diagnosis, treatment levels, and success rates in the field of reproductive medicine in China, thereby fostering new developments in reproductive research.

▶ Discovery Oncology Research Grant

This initiative supports experts or physicians in exploring and innovating existing treatment options in the field of colorectal cancer and head & neck tumors. It aims to create academic research and exchange platforms, scientifically evaluate and select researches with high potential to promote medical development, and provide valuable treatment solutions for patients.

Since 2019, two phases of funding have been initiated: Phase 1 supported 20 CRC researches and 12 HN researches, and Phase 2 supported 15 CRC researches and 7 HN researches.



In addition, Merck is committed to translating advanced technologies into tangible internal innovations and actively fostering deep collaboration with external partners to jointly drive scientific progress and sustainable development.

Case

Advancing Scientific Innovation Together with Partners

In March 2025, Merck entered into a strategic partnership with Roche to advance the commercialization of Tepotinib in mainland China. By fully integrating their respective resources and expertise, both parties aim to make Tepotinib accessible to more adult patients with locally advanced or metastatic non-small cell lung cancer harboring METex14 skipping mutations.

In April 2025, Merck collaborated again with Hengrui to advance the commercialization of oral GnRH receptor antagonist. Merck obtained exclusive commercialization rights in mainland China for Hengrui’s self-developed Class 1 new drug SHR7280, an oral GnRH receptor antagonist indicated for assisted reproduction and gynecological applications. This marks the two companies’ continued partnership in innovative therapies following their collaboration on the PARP1 inhibitor HRS-1167.



In June 2025, Merck entered into a strategic partnership with Zelgen to advance the commercialization of recombinant human thyroid-stimulating hormone (rhTSH) in China. Merck obtained exclusive commercialization rights in mainland China for Zelgen’s self-developed injectable rhTSH. By combining Merck’s local commercial network with Zelgen’s R&D capabilities, both parties aim to accelerate the availability of precise post-operative management treatments for thyroid cancer in China.



Engaging in Industry–Academia–Research Collaboration

In China, we support talent development by fostering the growth of innovative R&D professionals through collaborations with universities and research institutions.

Case

Merck China Strengthens Corporate Talent Development in Partnership with the NSD at Peking University

In September 2024, Merck China’s management team visited the Chengzeyuan campus of the National School of Development (NSD) at Peking University to witness the graduation ceremony of the 8th cohort and the welcome ceremony for the 9th cohort of the “Peking University–Merck Emerging Markets Management Program” alongside NSD leadership.

Since 2009, Merck China has partnered with NSD to run this program, aimed at developing senior management talent with both global vision and local management capabilities—particularly future leaders capable of navigating complex business challenges in emerging markets. The 18-month program covers key modules such as business strategy, marketing management, financial analysis, and leadership development, enabling participants to hone management skills, expand global perspectives, and enhance overall competencies through practical application. Over the past 15 years, the program has successfully completed nine cohorts, cultivating more than 300 mid- and senior-level managers, and has become a cornerstone of Merck China’s talent strategy.



Case

Merck China Partners with the Low-Carbon School of Shanghai Jiao Tong University to Promote Sustainable Development

In 2024, Merck China collaborated with the Low-Carbon School of Shanghai Jiao Tong University to drive the sustainability leadership up-skilling in China.

In August and November 2024, Merck China successfully hosted a series of themed lectures focusing on core topics such as sustainable development, climate action, and green innovation. The events brought together experts and scholars in the low-carbon field and corporate management teams for in-depth discussions, jointly exploring corporate responsibilities and opportunities in low-carbon transformation and ESG management, while strengthening strategic leadership in green development.



Chemical Safety

Product safety is one of our top priorities. In order to reduce the potential risks caused by chemical products to human health and the environment, we strictly comply with local chemical safety laws and regulations in China and Merck's global chemical safety policies and procedures. We also improve the safety of our products through innovative technological methods and digitalization.

Merck China's relevant business units have their own product compliance departments to closely track the updates of Chinese and international chemical regulations and conventions, analyze and evaluate Merck's products that may be affected, and to take relevant measures such as new registrations or formulation updates to ensure that products fully comply with relevant regulatory requirements.

Patient Safety

To ensure the safety of patients, our medicinal products must be effective in treating the respective disease while minimizing risk to patients. Merck always scrutinizes the safety of patients throughout the life cycle from clinical trials to post market launch.

In China, we strictly abide by local laws and regulations such as the Administrative Measures for Reporting and Monitoring of Adverse Drug Reactions and the Good Pharmacovigilance Practice. Furthermore, we also follow Merck's global pharmacovigilance system. We continuously monitor and evaluate the benefits-risks of medicinal products through the drug safety data network collaboration of Merck's Global Patient Safety and report safety information to health authorities in a timely manner. Moreover, we also simultaneously provide comprehensive safety information for healthcare professionals and patients to safeguard patients.



02

**Improving
Well-being at Work
via Inclusive Culture**



Chapter Introduction

At Merck, we are committed to fostering a culture of Belonging & Inclusion that entails comprehensive staff development programs, ample employee benefits, and a guaranteed safe workplace. This helps us attract global talents where we can then support them to reach their full potential which in return helps us grow our business.

We place talent attraction and development at the core of our sustainability strategy. By leveraging global HR policies alongside local practices, we build a globally competitive workforce and implement comprehensive talent succession and development strategies, continuously enhancing business innovation and organizational competitiveness. Guided by our values of love and care, we cultivate a work environment that supports employees and encourages growth, while building an outstanding employer brand to inspire innovation and collaboratively serve the diverse needs of our customers and patients.



Performance Highlights

Total Employees
4,421

Percentage of Employees with Disabilities
1.7%

Average Training Hours per Employee
8.7 hours

Inclusion Index Score¹



Note: 1. The Inclusion Index score refers to the inclusion scores in the annual Employee Engagement Survey (EES).

Inclusion Awards & Recognitions



2024 DEI Leader Award of the European Union Chamber of Commerce in China



Employer Branding Institute "2024 DEI Employer Award"



Aon 2024 Best ESG Employer and Best DEI Practice Award

Belonging & Inclusion

For Merck, making belonging and inclusion keywords of our daily operation is not a plus, but a must. At Merck, belonging and inclusion (B&I) is not just a topic or issue, but a critical, urgent business imperative. It impacts on our employees, partners, customers, patients and our global business. Merck sets commitments and quantifiable targets at the highest level and translates commitments at the global level into actions that meet local needs.

We actively implement Merck's strategic initiatives in human resources and B&I, viewing employee belonging and inclusion as key to building a positive organizational culture, enhancing employee engagement, and driving sustainable business outcomes. Under the unified guidance of the HR department, we continuously foster an inclusive workplace that respects diversity, ensuring that every employee feels valued and respected.

Employee Resource Groups

Employee Resource Groups (ERGs) play an important role in raising awareness and engaging employees at a local level. The ERGs are organized and led by employees who share a common B&I vision and interests and represent the needs of such different groups. By providing a variety of resources and tools, the ERGs support employees' personal growth and career development.

Merck China has two ERGs: Women in Leadership and Generation Now focus on gender equity and intergenerational integration respectively. Their activities cover physical and mental health, personal growth, and career development.

The themes of the Women in Leadership activities include career development, company exchange & networking, and building a support system.



Career Development

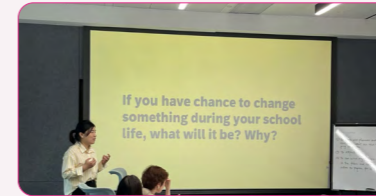


Company Exchange



Build Your Support System

The signature activities of the Generation Now include Public Speaking Club, GenAI Camp - Hackathon, and the Merck Young Podcast



Public Speaking Club



GenAI Camp - Hackathon



Podcast第十四期-数字成瘾 or 社交断食? 听听新世代如何与社交媒体和平...

Merck Young Podcast

After six years, both groups have developed their signature activities, promoting mutual help and assistance among group members. Many activities are also open to members outside the group, promoting dialogue between different groups by encouraging participation, breaking down biases, and attracting more "alliances".

Localization Process

With consideration to the demographics and cultural backgrounds in China, we have taken a series of measures to localize belonging and inclusion in the country.

Localized Measures to Promote B&I

Enhance Infrastructure

- Clarify the definition of "belonging" and "inclusion" to enhance employees' sense of identity.
- Emphasize individual differences (especially personality, work style, thinking style, expression style, etc.) without being limited to common "labels".
- Summarize, organize, and translate information based on local policies and processes to provide resources and tools for Chinese colleagues.

Encourage dialogue, not jump to conclusions

- Discuss real-life cases in trainings, and encourage Chinese colleagues to share their B&I stories, and think about their role in similar scenarios and their inclusion practices.

Provide cross-departmental, cross-function and cross-cultural internal and external communication

- Improve local employees' ability to present themselves and speed up their personal and career development.

Take on social responsibility and focus on the future

- Inviting school students to visit our company and spread the B&I concept to the new generation.

Cross-Cultural Communication

In a multinational company like Merck, it is especially crucial for our foreign colleagues to have a better understanding and respect for Chinese cultures and ways of working. Therefore, we create opportunities for employees and encourage them to speak out at conferences, events, and projects to present the best practices and perspectives in China.

We provide tools for our employees to help them better spread Chinese culture, thereby promoting cross-cultural understanding and mutual respect. Before each traditional Chinese holiday, we deliver bilingual "cultural special" emails to all Chinese colleagues. These emails include traditional festival introduction that colleagues can directly copy and paste for utilization, which have been widely praised as practical and fun. Many foreign colleagues actively responded to the sharing, making the connections between colleagues from different regions closer.

Although the content of the cultural special email may seem unrelated to the business, it helps to explain cultural context, promote mutual understanding, and enhance communication among global teams. Chinese colleagues also see this measure as a sign of respect from the company.



Talent Attraction and Development

We recognize that sustained innovation and business growth depend on a high-quality workforce. As a leading global technology company, we place talent attraction and development at the core of our corporate sustainability strategy, striving to build a workforce with global competitiveness.

Talent Attraction and Retention

Merck China takes a nuanced approach to gathering a diverse talent pool that can meet the needs of our businesses.



Measures to Attract Talent

- Building a compelling employer brand, both through social media and through other channels
- Partnering with academic institutions and associations to seek for talent recruitment

Merck China has always been committed to empowering employee development, providing employees with the support they need for career advancement, and building a world-class learning platform by introducing innovative hybrid learning and development solutions, to create a high-impact corporate culture and a comprehensive learning environment for our employees.

To ensure the effectiveness of employee learning activities, we encourage employees to flexibly apply various learning pathways based on the “70-20-10” approach according to their own development needs. This approach means that 70% of time is focused on hands-on learning, 20% is focused on interacting and learning from others, and 10% is focused on learning from structured courses, workshops, and seminars.

Key Talent Identification and Development Programs

70%
Hands-on
learning

- Employees can expand their work experience outside their job through cross-departmental “short-term assignments” or by taking on additional projects at work.

20%
Interacting with
and learning
from others

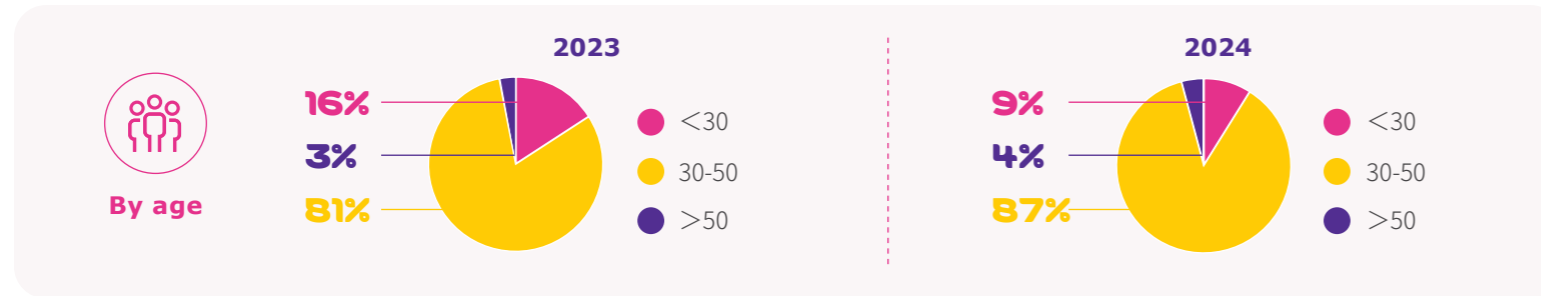
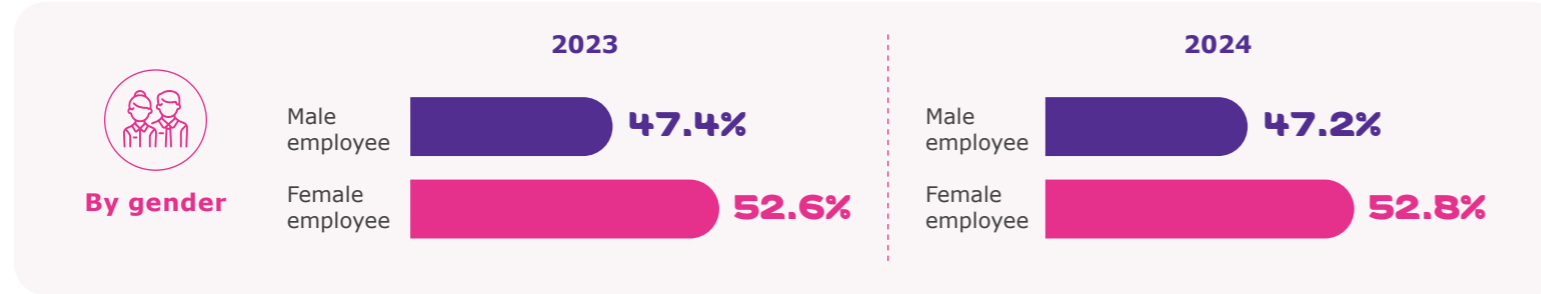
- Employees can learn success stories and good practices from coaches and mentors, to unleash their potential for better performance and efficiency.

10%
Learning gained
through struc-
tured courses,
workshops and
seminars

- Employees can meet different learning needs and empower themselves, their team and organization through hybrid learning methods such as diversified learning channels, leadership empowerment programs, international management programs, and emerging market leadership programs.

Merck China Human Capital Development Performance

Employee Hiring



Employee Training

Average Training Hours per Employee (Hours)



Employee Care

Merck China has always been committed to our principle of providing “love and care”. Our employees are fully committed to both innovation and responsiveness to the needs of our customers and patients. In turn, Merck China cares for its employees wholeheartedly and continues to hold itself to the standard of a best employer.

Merck assisted reproductive program

As a global leader in the field of assisted reproduction, Merck understands the huge burden of infertility on individuals and families. Through the assisted reproductive welfare program, we support employees in need to realize their dreams of pregnancy.

Since October 2023, Merck China has provided each employee and their legal spouses with reimbursement for assisted reproduction related treatment. The amount is 170,000 RMB, and the upper limit is in the unit of employees, covering the whole period of their employment at Merck.

Protecting the health of employees

We provide employees with a set of valuable benefits and flexibility of choice. We encourage employees to plan benefits for themselves and their families that allow for flexibility according to their family structure and needs. This ensures that employees and their families will always have a backup plan to help them when in need.

To improve the health and quality of life of our employees, we offer them a range of insurance packages including group commercial insurance and individual optional insurance, health check-ups, and the employee flexible benefits mall.

We care deeply about the mental health of our employees. We continue to run the Employee Assistance Program (EAP) which includes a physiological / psychological counselling hotline open to all employees and psychological workshops chaired by external experts.

Additionally, in China, we are widely promoting the “Be Healthy Program” which encompasses activities from four dimensions: workplace health, physical health, mental health, and social adaptability. For instance, in March 2024, Merck Electronics Suzhou launched the upgraded “Walking 4.0” health promotion program. Through digital management and team incentives, the initiative integrated health management into the company’s sustainability strategy, achieving a 100% participation rate among employees and a cumulative walking distance of 15,312 kilometers.



Work-life Balance

Effective from January 2020, Merck China new Flexible Work Arrangement Policy (“MyWork @ Merck”) goes live. With the implementation of this new policy, Merck China provides employees with greater workplace flexibility that will ultimately lead to higher satisfaction and engagement among the workforce.

“MyWork@Merck” Flexible Work Arrangement Policy

▶ Flexible Workplace

Employees can apply for a maximum of two days per week working outside the office upon approval from line managers. Days can be chosen flexibly during the week.

▶ Flexible Working Time

Employees may set their individual flex working hours depending on job nature and line managers’ approval.

▶ Parental Care Leave

Depending on business requirements and nature of job, employees can apply to “work from home” or “unpaid leave” for two weeks in total, which can be taken continuously after the statutory maternity/paternity leave upon managers’ approval.

▶ Family Care Leave

Employees can convert up to five of their paid sick leave days into family care leave days upon managers’ approval.

Enriching Employees' Lives through Labor Union

Our labor union has organized a variety of enrichment activities. These activities effectively upheld belonging and inclusion in the organization and enhanced employee engagement and belonging.

Case

"I am an UP Creator" Campaign

The "I am an UP Creator" campaign was launched in 2024, aiming to provide employees with opportunities to showcase and share their ideas while strengthening connections among colleagues. Participation in the event has been enthusiastic, with a steady stream of colleagues signing up to present, and online audiences engaging actively and giving consistently positive feedback.

<p>5月31日 美食&旅行经验分享</p>  <ul style="list-style-type: none"> 线上参与人数: ~225人 演讲嘉宾: Luning Yang, Yue Zhao 	<p>8月30日 哲学&积极心理学分享</p>  <ul style="list-style-type: none"> 线上参与人数: ~120人 演讲嘉宾: Hui Feng, Winnie Ni 	<p>10月18日 育儿经验&运动生活分享</p>  <ul style="list-style-type: none"> 线上参与人数: ~116人 演讲嘉宾: Wayne Li, Kiki Zhang 	<p>11月29日 骑行经验&社会学分享</p>  <ul style="list-style-type: none"> 线上参与人数: ~108人 演讲嘉宾: Freda Qian, Maggie Xia
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A total of four sessions were held in 2024, averaging one per quarter

Case

Family day 2024

The family day in 2024 was held in October in the four cities of Shanghai, Chengdu, Beijing and Guangzhou, with more than 5,300 participants, warming the hearts of our employees and their family.

 <p>Shanghai</p>	 <p>Chengdu</p>	 <p>Beijing</p>	 <p>Guangzhou</p>
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Highlights from the 2024 Family Day

Case

Labor Union Day

The annual Labor Union Day creates opportunities for the Merck Labor Union to promote itself and recruit new members. In early 2025, the event was held online in offices in Shanghai, Beijing, Guangzhou, and Chengdu, with over 100 employees participating. In addition to reviewing outstanding club activities from 2024, the event also included a recruitment session for 2025 club memberships. Club leaders organized interactive games and offered gifts to attract employees to join, and a new "Union Hub" was established to provide answers to various union-related inquiries for staff.



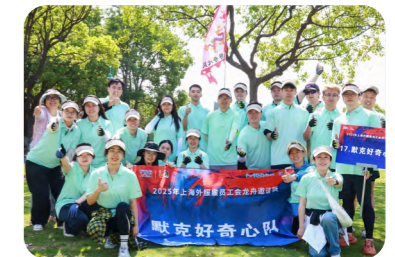
Merck Union Day and Club Carnival 2025



Merck volunteers supported the 2025 Yangtze River Delta Inclusive Sports Games—the "Shanghai Foreign Service Cup" Inclusive Table Tennis Competition



The "Merck Curiosity Team" participated in the 2025 Shanghai Half Marathon Corporate Elite Race organized by the Foreign Service.



The "Merck Curiosity Team" participated in the 2025 Dragon Boat Invitational for Foreign Service Employees.

03

Shaping a Sustainable Future with Low-carbon Manufacturing

Chapter Introduction

Climate change has become one of the greatest shared challenges facing humanity, prompting a transformation in global value chains. We believe that only by balancing innovation with environmental responsibility can companies build long-term competitiveness and promote harmonious coexistence between society and the ecosystem.

In order to achieve the global long-term goal of “climate neutrality”, Merck China has established a local climate governance mechanism led by Management. Through the China Sustainability Committee (CSC), we coordinate the localization of climate-related strategies, policies, targets, and key actions. We are now actively implementing emission reduction pathways in China, driving green transformation across manufacturing operations. By optimizing energy structures, improving energy efficiency, and introducing digital management, we decouple business growth from resource consumption. Through the application of green electricity, smart energy scheduling, and lean processes, we establish a low-carbon operational system, making sustainability a core standard in production. Merck also extends low-carbon principles across the entire value chain, encouraging upstream suppliers to adopt green energy and eco-friendly materials, enhancing emission reduction resilience, and providing downstream customers with green technologies and sustainable solutions to jointly reduce environmental footprints.

To realize global environmental goals, Merck continuously improve our environmental management system while strictly complying with laws and regulations. Merck systematically manage water resources and waste, optimize resource efficiency, and strive to minimize environmental impact throughout our operations.

Additionally, through initiatives such as low-carbon office renovations, paperless workflows, sustainability-themed events, and eco-friendly participation programs, Merck continuously raise employees’ environmental awareness, embedding sustainable practices into daily corporate operations.

▶ Our Commitments: We will achieve climate neutrality and reduce resource consumption by 2040

Waste management

- Until 2030, achieve a Circularity of **70%** for the whole company

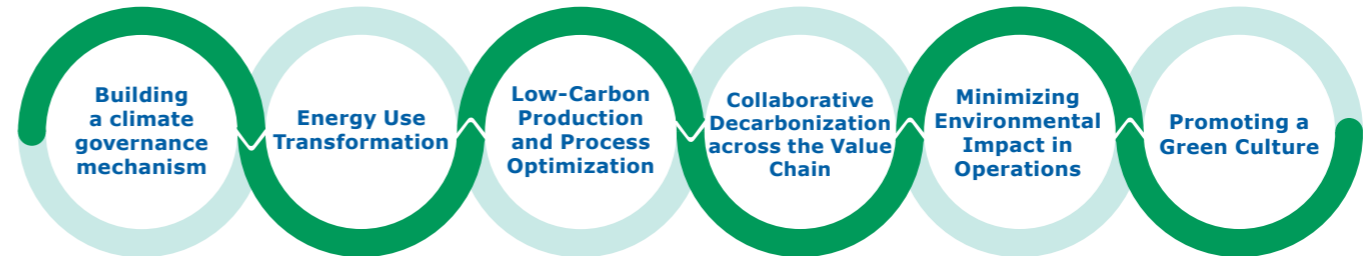
Climate action

- By 2030, lower GHG emissions (Scope 1+Scope 2) by **50%** compared with 2020
- By 2030, we aim to source **80%** of purchased electricity from renewable sources

Water management

- Until 2030, improve water efficiency by **50%** versus 2020

▶ Implementation Roadmap



Signed a ten-year green power purchase agreement in cooperation with CR Power



Signed a green power purchase agreement in cooperation with Envision

▶ Energy Use Transformation

- Installed rooftop solar PV systems at multiple production sites, promoting direct green power transactions.
- In 2024, signed a ten-year green electricity procurement agreement with CR Power, covering five Merck production sites in Jiangsu Province. Subsequently, partnered with Envision to secure green power supply for Merck's production sites in Shanghai, meeting renewable energy needs.

▶ Low-Carbon Operation and Process Optimization

- Established an energy management platform for real-time monitoring and intelligent scheduling.
- Introduced AI and IoT technologies to optimize equipment performance and predict energy consumption.
- Implemented smart energy efficiency upgrades at production sites in Nantong, Wuxi, and Suzhou.

▶ Collaborative Decarbonization across the Value Chain

- Launched the SCALE supply chain decarbonization program, encouraging suppliers to adopt renewable energy and promote low-carbon logistics.
- Promoted training on green technologies and sustainable practices in downstream operations to drive a greener supply chain transformation.
- Organized external forums and exchange activities to foster cross-industry green collaboration, advocating for co-governance in product design, energy transition, and supply chain management.
- Partnered with academic and industry stakeholders to explore the application of frontier technologies such as AI in low-carbon scenarios, enhancing the green resilience of the value chain.

▶ Minimizing Environmental Impact in Operations

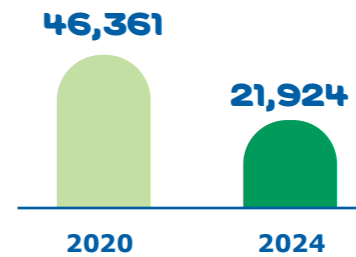
- Improved and strengthened the environmental management system.
- Systematically managed water resources and waste.
- Continuously optimized resource efficiency.

▶ Promoting a Green Culture

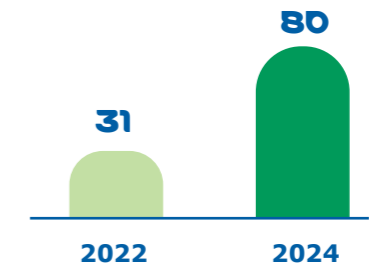
- Conducted year-round environmental awareness and education activities, advocating for a culture of sustainability and green office practices.

Performance Highlights

GHG emissions (tCO₂e)



Proportion of renewable energy used¹ (%)



Note: 1. Proportion of renewable electricity used = Renewable electricity used/total electricity consumption.

▶ **Merck China's Manufacturing Sites Received the "Climate Lighthouse Exemplary Award"**

In April 2025, Shanghai Climate Week kicked off under the theme of "Climate Park · Spring". "Climate Lighthouse · New Era" event emerged as a focal point. As one of the founding enterprises of the Shanghai Climate Week – "Climate Lighthouse Ecological Alliance", Merck China not only participated in the release of the "Climate Lighthouse" standards and the establishment of the ecological alliance but also led the industry through low-carbon practices, demonstrating its commitment to addressing climate change and promoting green industrial transformation.

During the "Climate Lighthouse" initiative, Merck China's Wuxi Manufacturing site received the "**Climate Lighthouse Exemplary Award**" for its innovative low-carbon operational solutions, while the Life Science Nantong Manufacturing site and Electronics Zhangjiagang Manufacturing site were recognized as "**Outstanding Cases**" for their energy management and circular economy practices. These honors reflect Merck China's leading capabilities in green manufacturing, energy management, and resource circularity.



Life Science Wuxi Office Building



Life Science Nantong Manufacturing Site



Electronics Zhangjiagang Manufacturing Site

▶ **Merck China Advances the Development of Green Factories and Environmental Management Systems.**

Merck China's Manufacturing sites have obtained external certifications for green factories and environmental management.

▶ **Green Factory Certifications**

- | | |
|---------------------|---|
| Healthcare | <ul style="list-style-type: none"> Office building at Nantong Manufacturing site achieved LEED Gold certification. |
| Life Science | <ul style="list-style-type: none"> The office building at Wuxi Mobius Center received LEED Platinum certification, the production warehouse received LEED Silver certification. Nantong administrative building received LEED Platinum certification. |
| Electronics | <ul style="list-style-type: none"> Office building at Zhangjiagang Manufacturing site received LEED Platinum certification. Waigaoqiao and Jinqiao Manufacturing sites are both certified as a Four-Star Shanghai Green Factory. With four production bases across Jinqiao, Waigaoqiao, Suzhou, and Zhangjiagang, our green factory certification coverage now reaches 50%. |

▶ **Environmental Management System Certifications**

- | | |
|---------------------|---|
| Healthcare | <ul style="list-style-type: none"> Nantong Manufacturing site received ISO 14001 Environmental Management System certification. |
| Life Science | <ul style="list-style-type: none"> Nantong and Wuxi Manufacturing sites received ISO 14001 Environmental Management System and ISO 50001 International Energy Management System certification. |
| Electronics | <ul style="list-style-type: none"> Jinqiao, Suzhou, and Waigaoqiao Manufacturing sites received ISO 14001 Environmental Management System certification. Waigaoqiao Manufacturing site received ISO 50001 Energy Management System certification. |

Energy Use Transformation

We are committed to accelerating the use of renewable energy, aiming to source 80% of our global electricity procurement from renewables by 2030. In China, we are increasing the share of self-generated clean energy by installing rooftop solar PV systems across multiple sites. At the same time, we actively explore diversified green electricity procurement mechanisms, such as participating in direct renewable energy transactions, gradually optimizing our energy use structure.

Merck China 2024 Energy Transition Initiatives and Performance

Electronics

In 2024, Merck China's Electronics Manufacturing sites achieved a total carbon reduction of **4,989 tons** through a combination of green electricity procurement and rooftop solar PV generation.

- From 2016 to 2024, rooftop solar panels at the Jinqiao Manufacturing site contributed to a cumulative carbon reduction of **2,843 tons**.
- In 2024, green electricity procurement at the Jinqiao Manufacturing site reduced carbon emissions by **3,864 tons**.
- In 2024, green electricity procurement at the Suzhou Manufacturing site reduced carbon emissions by **674 tons**.
- In 2024, green electricity procurement at the Waigaoqiao Manufacturing site reduced carbon emissions by **205 tons**.

Life Science

At the Life Science Nantong Manufacturing site, **2,500 m²** of solar PV panels have been installed, generating **450,000 kWh** annually and reducing carbon emissions by approximately **326 tons** per year. In 2024, the site's clean energy usage reached **86%**, with a target of **100%** green electricity by 2025.

At the Life Science Wuxi Manufacturing site, **13,500 m²** of solar PV panels have been installed, generating **1,140,000 kWh** annually and reducing carbon emissions by approximately **700 tons** per year. In 2024, the site's clean energy usage reached **95.7%**, with a target of **100%** green electricity by 2025.

Case

Merck China joins hands with CR Power and Envision to drive energy transition

In January 2024, Merck signed a green electricity procurement agreement with CR Power, which purchased **300 GWh** of green electricity over ten years. The agreement reduced our Scope 2 carbon emissions by **185,000 tons**, further advancing Merck's global commitment to sustainability.

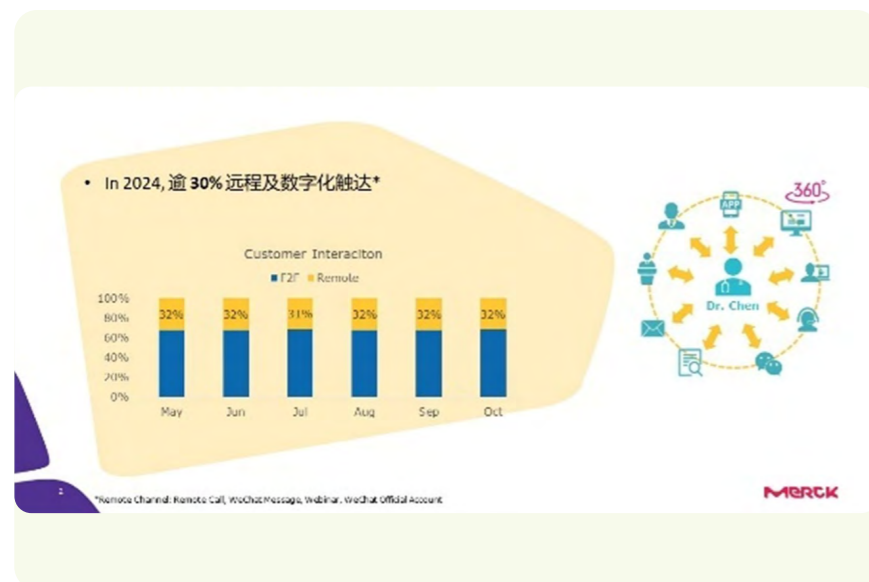
In August 2024, Merck China signed a Memorandum of Cooperation on Energy Management with Envision, focusing on the development of a digital energy and carbon management system to reduce carbon emissions and **accelerate progress toward Merck's 2040 climate neutrality target**. This strategic collaboration demonstrates Merck's strong commitment to sustainable development in China, actively supporting the country's "dual-carbon" goals, and marks another significant step in advancing sustainability across the entire value chain.

In November 2024, Merck China signed a three-year green electricity procurement agreement with Envision, totaling **30 GWh** of green electricity. As a result, the proportion of green electricity used in Merck's production operations in China increased to **80%**.

Low-Carbon Operation and Process Optimization

By extensively leveraging remote collaboration and digital solutions, we are reshaping our business operations to reduce carbon emissions from travel and logistics. At the same time, intelligent tools and data-driven management enhance process efficiency and resource utilization, achieving a win-win for both low-carbon operations and operational performance. In 2024, Merck China Healthcare's remote and digital engagement rate exceeded 30%.

Healthcare leverages telemedicine and digitalization to reduce carbon emissions and enhance efficiency.



Merck China 2024 Energy-Saving Initiatives and Performance

Life Science

Wuxi Manufacturing Site

- Implemented green upgrades across the production process, establishing an integrated **"source-grid-load" smart energy efficiency system**, achieving annual electricity savings of **5.701 million kWh** and reducing carbon emissions by approximately **3,505 tons**.
- The AI-based building automation system uses direct digital control technology to integrate decentralized control with centralized management, achieving annual electricity savings of **840,000 kWh** and reducing carbon emissions by approximately **520 tons**.

Nantong Manufacturing Site

- Implemented green upgrades across the production process, establishing an integrated **"source-grid-load" smart energy efficiency system**, achieving annual electricity savings of **3 million kWh** and reducing carbon emissions by approximately **2,175 tons**.
- The **AI energy management system** uses direct digital control technology to integrate decentralized control with centralized management, achieving annual electricity savings of **1.45 million kWh** and reducing carbon emissions by approximately **1,051 tons**.

Electronics

Jinqiao Manufacturing site

- The Jinqiao Manufacturing site achieved improvements through intelligent CIP washing process upgrades, achieving annual electricity savings of **4,443 kWh** (powering 5 industrial AC units year-round).

Suzhou Manufacturing site

- The Suzhou Manufacturing site achieved electricity savings of **39,302 kWh** in 2024 through intelligent chiller unit control and refrigeration system optimization.

Zhangjiagang Manufacturing site

- Installed **190.9 m²** of smart windows with dynamic light transmission adjustment, reducing HVAC energy use by **10%**.
- Deployed a **154.28 kWp** solar system, achieving **100%** clean energy coverage for office electricity consumption and **59.3 tons** of CO₂ reduction.
- Built a biodiversity rain garden capable of harvesting **1,000 tons** of rainwater annually for landscape irrigation and sanitation.

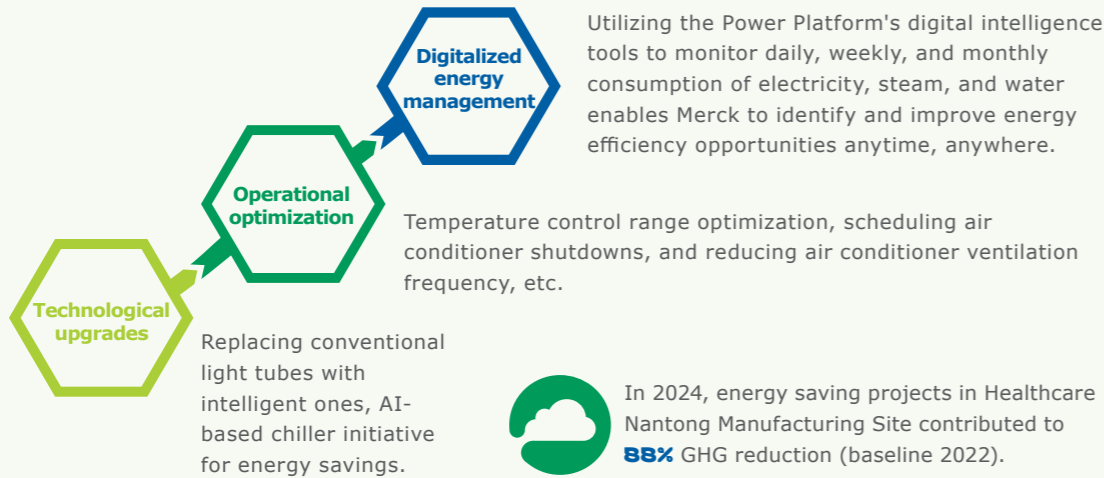
Case

Digital Transformation of Energy Management at Nantong Manufacturing Site

Merck operates two manufacturing sites in Nantong, encompassing Healthcare and Life Science. At both plants, Merck utilizes artificial intelligence (AI) and Industrial Internet of Things (IIoT) technologies to optimize the energy efficiency of chillers. By connecting intelligent sensors to chiller systems, our systems can perform real-time control based on accurate data and predictive needs, resulting in an average energy consumption reduction of approximately 20%.



Energy efficiency management at Healthcare Nantong Manufacturing Site



Collaborative Decarbonization across the Value Chain

Low-carbon transformation extends beyond the manufacturing site floor to the entire value chain. Merck has set an interim target to reduce Scope 3 emissions—indirect emissions across the value chain—by 52% by 2030 compared with 2020 levels.

To achieve this target, we actively advance supplier decarbonization initiatives, providing key suppliers with capacity-building support and incentive mechanisms, while guiding them to procure renewable energy to strengthen low-carbon resilience from the source. In logistics, we continuously optimize delivery routes, improve transportation efficiency, and adopt low-carbon transport solutions. For example, substituting sea freight for air freight in our Life Science business.

Furthermore, we leverage digital tools to accurately calculate and monitor the carbon footprint across the supply chain, helping upstream and downstream partners identify reduction opportunities and develop science-based decarbonization pathways, achieving a closed-loop management from data to action.

Case

Driving Green Innovation in the Supply Chain through the SCALE Program

Merck leverages the SCALE program to establish a new paradigm for sustainable supply chain management powered by data, unlocking latent green potential and steering business toward a future low-carbon ecosystem. The initiative aims to cover carbon footprint accounting for over 300 million products by 2030, fully encompassing Scope 1, 2, and 3 greenhouse gas emissions, thereby enhancing product transparency and environmental impact insights.

The core value of SCALE lies in three dimensions: Comprehensive transparency of product carbon footprints; Accurate identification of sustainable raw materials; Systematic reduction of carbon emissions and ecological impacts. Beyond transforming Merck's supply chain, SCALE serves as a strategic accelerator for the company's carbon-neutral commitment. By harnessing data-driven smart management, the program guides the supply chain toward a more resilient and environmentally valuable future.



In addition, Merck China actively promotes collaborative development across the entire value chain by regularly organizing upstream and downstream cooperation forums. These events bring together suppliers, customers, industry experts, and partners to engage in in-depth discussions and collaboration on topics such as sustainable development, green innovation, and digital transformation.

Case

Merck Hosted the Inaugural Shanghai Climate Week Sustainable Development Forum

To promote cross-industry exchange and collaboration while advancing corporate sustainability, Merck hosted the inaugural Shanghai Climate Week Sustainable Development Forum in April 2024. The forum, under the theme "Building a Green Future Together: Exploring New Paths for Climate Action", established a face-to-face platform for in-depth discussions on key topics including climate change, corporate net-zero transformation, and green supply chain transition.

The forum was held at Merck's Shanghai office, organized by Merck and co-hosted by the ESG Alliance of the German Chamber of Commerce in China, the Green Carbon Neutrality and Sustainable Development Asia Forum, and Envision Group. It attracted experts and representatives from government, the private sector, and academia. Merck China President Marc Horn delivered a speech sharing Merck's latest progress in emission reduction. In addition, Merck, together with the ESG Alliance, the Green Carbon Neutrality and Sustainable Development Asia Forum, and Envision, jointly launched an industry initiative for green transformation, promoting low-carbon development across corporate, societal, and environmental dimensions.



Case

Merck Hosted Forum themed "New Trends in Sustainability amid the AI Wave"

Driven by the "Dual-Carbon" strategy and the global green transition trend, Merck China is leveraging AI-driven innovation to systematically advance decarbonization across the value chain, establishing green transformation practices throughout its partner ecosystem. In April 2025, Merck co-hosted the forum "New Trends in Sustainability Amid the AI Wave", exploring the integration of AI and sustainability. Scientists from Merck's Artificial Intelligence and Quantum Computing Laboratory shared the company's "ALL in AI" green initiatives, demonstrating how AI optimizes resource allocation and builds sustainable supply chains, positioning AI as a key driver of the company's low-carbon transformation.



Case

Merck Successfully Hosted the "Innovating a Sustainable Future – Green Supply Chain Summit"

In November 2024, Merck successfully hosted the "Innovating a Sustainable Future – Green Supply Chain Summit" at the 7th China International Import Expo. During the summit, guests from various industries engaged in in-depth discussions on building green ecosystems, technology-driven decarbonization pathways, and collaborative cooperation mechanisms.



Minimizing Environmental Impact in Operations

To achieve Merck's global environmental goals and commitments, all Merck China sites continuously enhance their environmental management systems and adopt new technologies while strictly complying with local laws and regulations. These efforts aim to reduce the environmental footprint across all activities and production processes and promote the efficient and responsible use of resources. We have a well-established EHS (Environment, Health & Safety) department in place to implement, monitor, and continuously improve environmental compliance management.

To ensure effective environmental compliance, systematic management mechanisms have been developed around water use and waste management, continuously optimizing resource efficiency and minimizing environmental impact.

Merck China's Measures on Water Resource Management

Healthcare

- Nantong Manufacturing site implemented a steam condensate reuse project. By monitoring water usage online to promptly detect and repair leaks, the site reduced water consumption by **71,644 m³/year** (baseline: 2020).

Life Science

- Nantong Manufacturing site introduced a water treatment system to recycle collected clean wastewater, reducing manufacturing site discharge and freshwater consumption by **25%**.

Electronics

- The ETCC at Jinqiao Manufacturing site has achieved breakthrough progress in water resource efficiency through technological innovation. By optimizing the wetting interval control mechanism in Chemical Mechanical Planarization (CMP) processes, the center saves **2,135.25 tons** of deionized water (DIW) annually. Furthermore, through innovative recycling of CMP-generated DIW wastewater for scrubber system replenishment after treatment, an additional **912.5 tons** of DIW is conserved yearly. These integrated initiatives synergistically reduce municipal water consumption by approximately **6,095.5 tons** annually.
- The ETCC at Jinqiao Manufacturing site has achieved annual water savings of **702 tons** through intelligent CIP washing process upgrades.
- Suzhou Manufacturing site has implemented optimization of pure water system backflushing process parameters, dynamically adjusting both backflushing intervals and duration per cycle. This initiative reduces annual backwash water consumption by **336 tons** while enhancing overall system operational efficiency.

Merck China Waste Management Measures

▶ Healthcare

- Nantong Site reused corrugated cardboard boxes, saving a total of **30.37 tons** of cardboard throughout the year.
- Nantong Site reduced the amount of spent nanofiltration solution generated from wastewater treatment through recycling and reprocessing, with a total reduction of **509 tons**. The project "One Idea, One Collaboration, One Hundred Tons of Hazardous Waste Avoidance" received the **2024 GHO Awards – Think & Act Sustainability Awards**.

▶ Life Science

- Nantong Site improved waste recycling rate by **3.4%** in 2024 by leveraging batch and continuous production processes in the inorganic salts workshop.
- Wuxi Site implemented a full-cycle waste management system, integrating "source classification – process reuse – end-of-life regeneration," and increased the resource recovery rate from **20.6%** in 2023 to **40.7%** in 2024.

Promoting a Green Culture

In daily operations, we actively pursue green development by organizing environmental education and awareness activities, promoting the concept of green office practices, and encouraging employees to take individual action. Together, we foster a sustainable office environment and contribute to the advancement of environmental protection.

Case

Merck China Low-Carbon Office Initiatives

Energy Saving

- Energy-saving labels installed in Beijing NUO and Shanghai NBO offices.
- Chengdu office turns off office lighting for one hour during lunchtime daily.



Waste Reuse

- M Lab provides recycling bins for visitor cups and plastic bottles



- Collection of old clothing at Shanghai NBO office

Through the environmental protection check-in activity, achieving approximately **2,000 kg** of CO₂e reduction through the collection of old clothes nationwide.

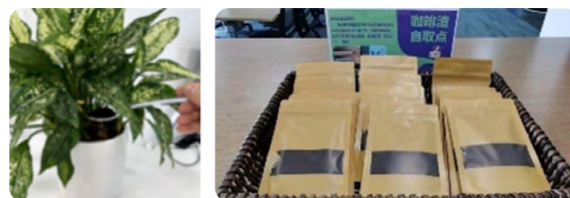


- Upgrades of drinking water dispensers at Beijing NUO Office and Shanghai Jinqiao site

Reducing bottled water use and enabling filter cartridge recycling.

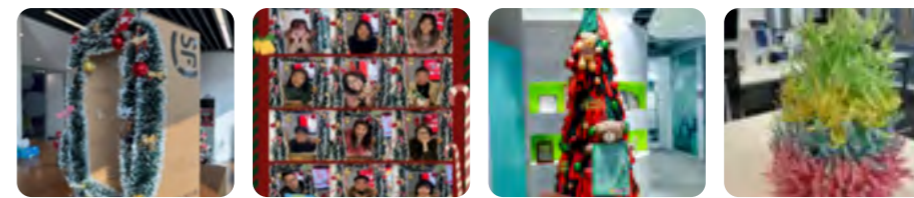


- Coffee grounds recycling



- Office event materials are reused

Employees are encouraged to DIY event props, and festival props are recycled via professional platforms or exchanged between offices to promote resource sharing.



Case

Merck China Sustainability-Themed Activities

As an important part of Merck China’s Healthcare FLASH project for activity process optimization, a digital, paperless solution for event expense reimbursement has been implemented to improve operational efficiency. Features such as electronic speaker agreements and digital document circulation aim to reduce the time employees spend on activity reimbursements. In 2025, additional functions were introduced, including electronic participant check-in to further reduce paper sign-in sheets, and electronic document signing for employees to replace paper-based approvals.

Paperless reimbursement was implemented across Merck China since 2024, which saved **750,000 papers** annually.

Case

Merck China Sustainability-Themed Activities

On the occasion of the 55th World Earth Day, Merck China simultaneously organized sustainability-themed activities across **12 offices** nationwide, highlighting the concept of “Our Energy, Our Planet™.” Senior executives from various business units shared their personal practices on green commuting, energy saving, and environmental protection, encouraging employees to contribute to the green transition starting from themselves.



To further enhance employee engagement, the company also launched a Sustainability Communication Toolkit and the 2025 Green Challenge, continuously inspiring employees to take green actions.

Case

Promotion of Environmental Check-ins to Raise Awareness of Sustainable Development

To encourage employees to fulfill the green and low-carbon lifestyles, and to lighten the Earth’s burden, we have launched a series of environmental check-in activities. These initiatives aim to foster a sense of green environmental awareness among all Merck employees.

On April 1st, 2024, Merck China’s “Green Check-in Competition” officially kicked off and continued until December 31st, 2024. The competition consists of three phases targeting different goals, which includes:

- ▶ Defeat Laziness: Green Office
- ▶ Defeat Extravagance: Low-Carbon Living
- ▶ Defeat Inactivity: Green Commuting

In 2024, a total of **611 employees** nationwide participated, achieving a carbon reduction equivalent to the amount of CO₂ absorbed by **745 trees** in one year. In 2025, Merck joined forces with KEEP to launch the “We Run Together” Sustainable Talents Low-Carbon Sports Challenge. The event drew **837 employees**, who explored a more low-carbon lifestyle through exercise.

2024 FM 环保打卡闯关赛
FM Environmental protection competition
2024.04.01 - 2024.12.31

活动介绍
Activity Introduction
2024年4月1日起，我们将启动为期12个月的“2024 F.M. 环保打卡闯关赛”。每位员工每月可获得100个打卡积分，积分越高奖励越丰厚。活动期间，每个打卡积分都会兑换一份绿色办公用品。Green Check-in Competition kicked off on April 1st, 2024, and will continue until December 31st, 2024. Each employee can earn 100 points every month, and the higher the score, the more rewards. During the competition, each point will be converted into a green office supply.

参与方式
Join us!
1. 通过微信中后台推送进入打卡闯关赛报名通道，点击“立即报名”按钮。
This link is shared from WeChat, wechat of Merck China.
2. 扫描微信二维码快速报名。
Scan the QR code to sign up quickly.

阶段一：打败“懒惰”——绿色办公
Phase I Green Office

Your mission 任务名称	Score 积分
完成每日打卡 (Complete daily check-in)	10
完成每周打卡 (Complete weekly check-in)	10
完成每月打卡 (Complete monthly check-in)	15
完成季度打卡 (Complete quarterly check-in)	10

阶段二：打败“奢侈”——低碳生活
Phase II Low-carbon Lifestyle

Your mission 任务名称	Score 积分
完成每日打卡 (Complete daily check-in)	10
完成每周打卡 (Complete weekly check-in)	15
完成每月打卡 (Complete monthly check-in)	30
完成季度打卡 (Complete quarterly check-in)	15
完成半年打卡 (Complete semi-annual check-in)	10
完成年度打卡 (Complete annual check-in)	10
完成其他任务 (Complete other tasks)	X

阶段三：打败“惰性”——绿色出行
Phase III Green Travel

Your mission 任务名称	Score 积分
完成每日打卡 (Complete daily check-in)	5
完成每周打卡 (Complete weekly check-in)	5
完成每月打卡 (Complete monthly check-in)	10

04

Building a Better Society through Corporate Citizenship



Chapter Introduction

Healthcare is a vital foundation for improving public well-being. With China's accelerating urbanization, significant population aging, and increasingly diverse employment patterns, healthcare accessibility still faces challenges of uneven and insufficient development across urban and rural areas. Merck China is committed to promoting health equity and ensuring that high-quality healthcare accessible to more patients. We focus on key areas such as chronic disease, fertility and oncology, improving public health by disease awareness advocacy. At the same time, we collaborate with medical institutions and nonprofit organizations to support capacity building in primary healthcare, helping to address gaps in medical resources and to promote the health education in rural areas.

Besides improving healthcare accessibility, ensuring inclusive and equitable education is another priority of ours. Through diverse community projects, we support the construction of school infrastructure, donate teaching equipment, and help to train teacher in underprivileged areas, aiming to narrow the urban-rural education gap, expand access to quality education and contribute to long-term sustainable social development.

Furthermore, Merck China actively engages in multi-stakeholder collaboration by working closely with government agencies, medical institutions, nonprofits, and local communities to ensure that public welfare programs are implemented effectively and scientifically. We also encourage employee participation in volunteer services, fostering a sense of social responsibility and creating positive interactions between company and community, thereby promoting social harmony.

Performance Highlights

In 2024, Merck China carried out a series of public awareness campaigns online and offline under the theme of "Thyroid diseases are NCDs.", which spread to more than **44.89 million** people so far.

The Erbitux Patient Assistance Program has supported a total of **9,582 patients** with metastatic colorectal cancer.

Each Merck employee is entitled to two days (16 hours) of paid volunteer service per calendar year to participate in various volunteer activities. As of the end of August, 2025, employees have accumulated **588 volunteer service hours**.

The SPARK Scientists Program is expected to engage **60,000 university student volunteers** and impact **60,000 primary and middle school students** from across the country, particularly those in underdeveloped regions.

Merck donated **RMB 500,000** to the Beijing Kangmeng Charity Foundation in April 2025 to support the earthquake initiative titled 'Promoting the Construction of a Multi-layer Medical Security System – Life Oasis Medical Relief Joint Action.

Merck China, in collaboration with the Shanghai YZL Foundation, officially launched the "Altruism Leading the Future" Corporate Mentorship Program, the program connects **96 pairs** of corporate mentors across different business sectors with university students from six provinces in central and western China.

Enhancing Access to Health

Case

Reproductive health education program

Social issue: Some patients lack knowledge and awareness of infertility, resulting in a prolonged journey to seek treatments.

Action: Merck China supports the Reproductive health education program initiated by the China Women's Development Foundation, collaborated with reproductive health experts to educate the target audience on reproductive health and treatment-related knowledge, thereby shortening patients' clinical journey and reducing dropout rates during assisted reproductive treatments.

Milestones: The project concluded successfully in April 2025. From 2024 to April 2025, a total of **65 educational live streams** were conducted, with over **one million views**.



Case

Intelligent ART patient management project

Social issue: Patients who participate in ART treatment have insufficient knowledge of relevant diseases and treatment.

Action: Merck China supports the Intelligent ART patient management project initiated by the China Women's Development Foundation, providing disease education, intelligent patient management and patient survey for patients receiving ART treatment.

Project Milestone: The project concluded successfully in August 2024. By the end of August 2024, 30 IVF centers had participated, and **over 140** popular science articles about reproduction were released on the platform, attracting more than **73,000 views**.



Case

"Create Life with Science" Reproductive Health Education Project

Merck China supports the **"Create Life with Science"** reproductive health education project, initiated by the Beijing Ronghe Medical Development Foundation. As of June 2025, the project has collaborated with multiple reproductive health physicians to release **1,105 educational videos** on five major new media platforms, including Kuaishou, Toutiao, Bilibili, Baijiahao, and Sohu, with a cumulative viewership of over **2.94 million**. The project aims to promote and popularize knowledge on family reproductive health and assisted reproductive technologies, enhancing family health awareness and improving domestic infertility patients' understanding of their conditions.

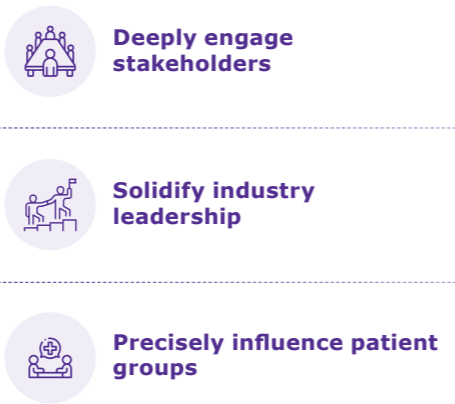


Case

Skin Care Project for Cancer Patients

Embracing the philosophy of "Unity for Patients," Merck China Medical Health deeply cares about the unmet needs of cancer patients. Supported by Merck China Medical Health, in collaboration with the Zhejiang Charity Foundation and the "Pandas and Friends" patient support organization, the "Only Love Guard" - Skin Care Project for Cancer Patients aims to facilitate rational, standardized, and comprehensive disease management for cancer patients. This initiative aims to enhance their quality of life and treatment confidence, fostering a more inclusive, understanding, and supportive social environment. Together, they contribute towards the goals of "Healthy China 2030."

On April 15, 2024, during the National Cancer Prevention and Control Publicity Campaign, the project was launched in Beijing with the participation of both parties and experts in the field of oncology:



Highlights from Communication: Cooperative Efforts, United in Care



Spreading Health Knowledge

We make full use of digital platforms to publish our own medical achievements, popularize effective medical information, and convey health knowledge to a wider range of users.

Case

Public Awareness Building on Thyroid Screening

Over the past 16 years, Merck has been working with all sectors of society to fully support the popularization of thyroid knowledge in China, helping the public to raise awareness of thyroid diseases and improve public health.

In 2024, Merck China carried out a series of public awareness campaigns online and offline under the theme of "Thyroid diseases are NCDs.", which spread to more than 44.89 million people so far.



02 甲减无“Yo”

3月, 推出科普甲减疾病, 提倡合理用药的短视频, 通过幽默、设计的演绎, 让枯燥的疾病用药科普变得生动、有趣, 增加患者以及大众观看的兴趣, 得到广泛好评。

总播放量超过**110万**
总点赞量超过**8000**
总评论量超过**1000**

09 Fun说甲状腺科普短综

由人民网·人民健康出品, 联合央视的权威媒体平台, 甲状腺科普短综采用H5、直播等多种传播形式, 与有影响力的短视频平台合作, 吸引广大人群关注甲状腺健康, 助推科普市场。

7月-12月累计观看量达**1733.2万**

Case

Diabetes Medication Public Education

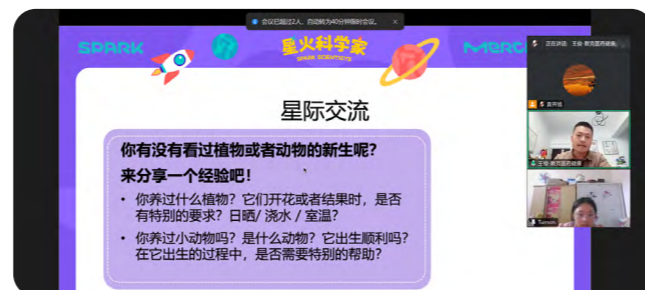
To raise public awareness of diabetes and strengthen prevention consciousness, Merck actively supports medical institutions in conducting a series of diabetes educational initiatives.

In 2024, Merck supported the release of multiple diabetes-themed educational comics and hosted expert-led educational lectures, with related content achieving over 1.5 million views. These initiatives call on society to collectively “show a red card to diabetes”, promoting diabetes prevention and encouraging healthy living.



Supporting Public Welfare

Merck launched the “SPARK Scientists” community education program, aiming to inspire children’s interest and curiosity in science, foster a learning environment of exploration and innovation, and encourage them to pursue their dreams with confidence. This initiative shows hope and ignites enthusiasm for nurturing future scientific talent. The program is expected to engage 60,000 university student volunteers and reach 60,000 primary and secondary students nationwide, particularly in underdeveloped regions such as Yunnan, Guizhou, Gansu, and ethnic minority areas. Through this series of public welfare activities, Merck demonstrates its commitment to excellence and corporate social responsibility, putting into practice our pledge to “In China, For China.”



In 2025, Merck China, in collaboration with the Shanghai YZL Foundation, officially launched the “Altruism Leading the Future” Corporate Mentorship Program at the Shanghai Bund office. The program connects 96 pairs of corporate mentors across different business sectors with university students from six provinces in central and western China. With it, we aim to create a bridge for personal and professional growth while promoting equity in vocational education and facilitating cross-regional talent mobility.



Steady Footsteps: Merck China Public Welfare Initiatives

2022

As of the end of 2022, the “Green Crystal” Digital Classroom Project had been implemented in 19 schools, empowering **over 10,000 students** and more than **300 teachers**.

2023

By the end of 2023, the Clean Water Program, in partnership with the One Foundation, has provided clean drinking water to about **80,000 students** in 174 rural schools across the country and installed 183 water purification equipment.

2024

In 2024, the “SPARK” Community Education Project was launched, focusing on sustainability and offering hands-on science courses for students aged 8 to 13. In the same year, Merck partnered with the YZL Foundation for the first time, engaging **26** first-generation rural college students.

2025

In 2025, the SPARK Scientists Cloud Education Project was launched, using STEM education to inspire children’s interest in scientific exploration and innovative practices, four science education courses were developed, with 147 volunteers teaching. In 2025, we donated **RMB 500,000** to the Beijing Kangmeng Charity Foundation, specifically for medical relief efforts in earthquake-affected areas. In 2025, the “Altruism Leading the Future” University students Mentor program established **96 mentor-mentee pairs**.

Case

Project "SPARK Scientists"

In an era of rapid technological development, STEM education (Science, Technology, Engineering, and Mathematics) is increasingly recognized as crucial for cultivating future innovators. As a global leading technology company, Merck is committed to promoting equity in science education through its corporate social responsibility initiatives. The company aims to broaden young people's scientific horizons, stimulate their curiosity, and address the shortage of educational resources, particularly for students in underdeveloped regions.

In 2025, Merck partnered with Yiyou Youth Service Center to jointly develop four science literacy courses covering life science, healthcare, electronics, and data digital. These courses employ story-based and gamified interactive methods, delivered via online live streaming. Guided by STEM education principles, they help primary and secondary school students understand the practical applications of science in addressing global challenges while fostering curiosity, creativity, and interdisciplinary thinking, supporting their growth into future scientists and innovators.

Merck employee volunteers can choose to deliver one of the four SPARK Scientists courses online, and collaborate with university student volunteers to provide one-on-one paired learning for primary and secondary students through the "cloud education," enabling interactive teaching.

The program is expected to engage 60,000 university student volunteers and reach 60,000 primary and secondary students nationwide, particularly in underdeveloped regions such as Yunnan, Guizhou, Gansu, and ethnic minority areas. By leveraging online delivery, the project overcomes geographic barriers, promotes shared access to educational resources, enhances educational equity, broadens students' knowledge, strengthens scientific literacy, and inspires curiosity and innovation.



Case

The "Altruism Leading the Future" Program Supports the Growth of University Students in Central and Western China

As part of the "Future Talent Initiative," the "Altruism Leading the Future" program aims to promote educational equity, social mobility, and corporate responsibility, embodying our commitment to "Sow Hope, Reap Transformation", aiming to create a bridge for university students' personal and professional development.

Progress:

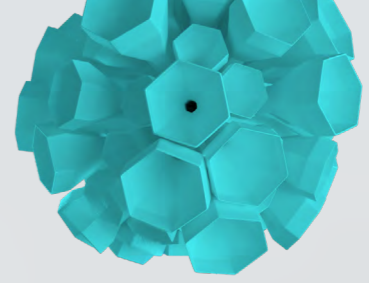
- ▶ On August 16, 2024, Merck China collaborated with the YZL Foundation for the first time at the Shanghai Bund office, engaging **26 first-generation rural college students** and laying the groundwork for future cooperation.
- ▶ In July 2025, Merck China launched the "**Altruism Leading the Future**" mentor recruitment, receiving responses from over 90 volunteers. The program aims to empower students from central and western China through career planning, skill enhancement, and personalized mentoring. On August 1, 2025, 50 participants will officially launch the program at Merck's Bund office, witnessed by President Marc Horn and YZL Foundation leadership.

Case

Merck China Supports Earthquake Relief Efforts

In early 2025, a 6.8-magnitude earthquake struck Dingri County, Shigatse, Tibet Autonomous Region, severely affecting the safety and livelihoods of local residents. Post-disaster medical resources were strained, and urgent treatment was needed. In response to this emergency, Merck China actively fulfilled its corporate social responsibility.

Merck China donated **RMB 500,000** to the Beijing Kangmeng Charity Foundation to support the earthquake initiative titled 'Promoting the Construction of a Multi-layer Medical Security System – Life Oasis Medical Relief Joint Action.' The donation will be allocated based on actual needs and project arrangements to cover medical expenses related to disaster relief for the affected communities.



DRIVEN BY OUR VALUES SINCE 1668

05

Ensuring Compliance,
Strengthening the
Foundation for
Corporate Growth



Chapter Introduction

Employee well-being, beyond pursuing operational efficiency and business growth, companies must also safeguard employee well-being, uphold ethical standards, and ensure the sustainability of their supply chain systems. Merck China recognizes that these areas form the foundation for driving long-term and stable corporate growth.

We are committed to an integrated Environment, Health, and Safety (EHS) management system as the core framework. By establishing policies and standards, providing comprehensive training, promoting a culture of safety, and implementing digital health initiatives, we systematically identify and control risks to protect employees' occupational safety and well-being. This approach continuously enhances safety performance, fosters a safe, healthy, and sustainable workplace, and supports the company's steady business growth.

We uphold integrity and compliance as the cornerstone of our business. With the support of a professional compliance team and a sound governance framework, we promote a culture of compliance across all business processes through multi-channel training, policy development, and ongoing supervision. This ensures stable business operations and effective risk control.

We embrace high standards in supply chain management and work closely with suppliers to practice unified ethical and sustainability principles. Through evaluation systems and local collaboration, we foster a transparent, green, and responsible value chain, contributing to the achievement of shared sustainable development goals.

Performance Highlights



In 2024, the lost time injury rate was

0.1

and the coverage rate of employee work injury insurance reached

100%



In 2024, nearly

70

face-to-face compliance trainings were carried out by Merck China compliance department, covering more than

4,500 employees

The completion rate of compliance e-learning programs reached

100%

Occupational Health and Safety

At Merck China, we strongly believe that nothing is more important than safety. All of our Environment, Health, and Safety (EHS) practices strictly comply with local laws and regulations and are aligned with Merck Group's unified EHS management policies. We are dedicated to safeguarding the health and safety of our employees throughout our operations, including offices, manufacturing sites, laboratories.

Fostering a Safety Culture

We have established a comprehensive Environment, Health, and Safety (EHS) management system to systematically identify and assess related risks, implement effective control measures, and ensure the health and safety of our employees, while remaining fully compliant with local laws and regulations as well as Merck Group's overarching EHS policies and best practices.

We have formulated a set of EHS policies and standards that define the fundamental approaches and requirements for safeguarding employee health and safety. A company-wide safety responsibility system has been established, requiring every employee to fulfill their respective safety obligations, participate in regular safety training, comply with company regulations, and engage in daily safety management. Employees are encouraged to promptly report potential hazards or unsafe behaviors, supported by an incentive mechanism to recognize proactive reporting. In addition, we continuously enhance our safety culture and performance through the implementation of various projects and initiatives.

Merck China Occupational Health and Safety Program

▶ BeSafe 2.0

This program aims to gradually enhance employees' safety awareness and transform unsafe behavior patterns. We have published the Excellence in Safety Culture guidelines and conduct regular employee safety culture surveys. Senior leadership participates in "Safety Culture Leadership Training" to leverage their influence in driving the company's safety culture forward.

To continuously improve behavioral safety and strengthen the overall safety culture, we provide a range of tools, including but not limited to BeSafe Walkabouts, Safety Coaching, Stop! The Job, and safety culture surveys, which are implemented across our sites. In addition, we have established BeSafe 2.0 instructor teams at various locations to ensure the effective implementation and ongoing advancement of the program.

▶ Cross-Plant Internal Audits

We regularly conduct both internal and external assessments to ensure that our operations comply with relevant requirements. Merck's major production sites in China have obtained, or are in the process of obtaining, ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management System certifications. Through continuous efforts, we are committed to improving our safety performance.

Merck China has launched a cross-plant EHS internal audit program, under which annual EHS audits are carried out across major production sites, warehouses, and laboratories. This initiative helps strengthen safety management and drive continuous improvement across all facilities.

▶ Be Healthy

To safeguard employees' overall well-being, Merck has introduced the Be Healthy Group Standard, which systematically identifies and assesses health risks and implements corresponding measures to continuously improve employees' health. Addressing four key dimensions—physical, mental, workplace, and social well-being—we strive to raise health awareness and knowledge, embedding the concept of healthy living into employees' daily work and life.

▶ Merck China Safety Day

Merck China has designated "Merck China Safety Day," held every June in alignment with China's nationwide Work Safety Month campaign. A series of activities are organized across factories, laboratories, and offices, including escape pod simulations, "Hazard Hunter" games, "Sharp Eyes" on-site hazard inspections, emergency drills, and safety training sessions. These initiatives continuously raise employees' safety awareness and foster a strong safety culture.

▶ All-employee EHS Training

In 2024, Merck China launched an online EHS knowledge training program for all employees. In addition, tailored safety and health training programs are provided based on different job roles and potential hazards, covering a wide spectrum from everyday safety awareness to the stringent safety requirements of high-risk operations in specialized industries.

Merck China Occupational Health and Safety Performance

Lost Time Injury Rate (LTIR)

0.1

Employee Work Injury Insurance Coverage

100%

Note: The lost time injury rate (LTIR) is an important indicator to measure and evaluate the effectiveness of safety management, which refers to workplace accidents resulting in missed days of work per one million man-hours (LTIR = number of lost time accidents * 100,000,000 / working hours).



Business Ethics and Compliance

Merck has official global policies and the Merck Code of Conduct to abide by. All business divisions of Merck and their subsidiaries strictly comply with the laws and regulations of their host countries and relevant industry norms.

Merck China always sticks to honesty and integrity as one of the main philosophies of business. Furthermore, Merck has always upheld high ethical standards to conduct business in China and consistently utilized supervision and risk control systems to its utmost ability.

The Compliance Department's main responsibilities include: Risk Assessment, Policies & Procedures, Compliance Committee / Forum, Training & Awareness, Programs & Tools, Monitoring & Reporting, Case Management, Continuous Improvement.

Business Counseling
Is a core activity reflected into the daily cross- and sector-specific advice

Our Compliance Program Elements



Merck China actively conducts online and offline compliance trainings and activities through multiple channels.

Compliance training

In 2024, nearly 70 face-to-face compliance trainings have been carried out by Merck China compliance department, covering more than 4,500 employees.



Compliance Communication and Compliance Express program

Throughout year 2024, 48 Compliance Communication letters and Compliance Express posters were published in total.



Compliance Committee

Merck China conducts Compliance Committee meetings to discuss and make decisions on compliance-related issues. In 2024, 12 Compliance Committee meetings have been held for Merck China Healthcare, and 9 Compliance Committee meetings have been held for the Life Science and Electronics.

Compliance e-Learning program

By the end of 2024, the completion rate of compliance e-learning programs has reached 100%.

Compliance Week

In 2024, the Compliance Week event was held simultaneously in Beijing, Shanghai, and Guangzhou on November 27th – 29th. Over 1,000 employees participated in the offline launch ceremonies and the online interactive activities, learning compliance knowledge and enhancing compliance awareness at the same time.



Sustainable Value Chain

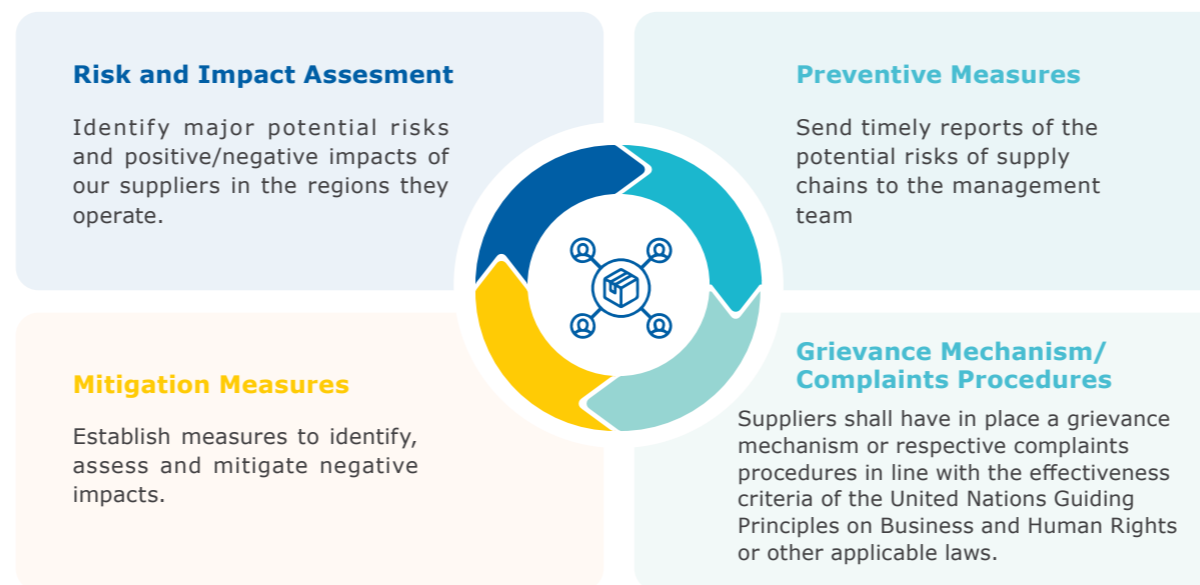
To achieve one of Merck’s sustainability goals “Create a sustainable value chain”, we work together with our supply chain partners to advocate for unified ethical, social, and compliance standards, and implement these standards into the supply chain to achieve common green development.

To achieve our sustainable development goals, our procurement team is working closely with suppliers. We are committed to bringing more transparency to all procurement regions and fully integrating sustainability concepts into our entire value chain. Currently, two-thirds of relevant suppliers worldwide are now covered by a valid sustainability assessment.

We have released the Chinese version of the Supplier Code of Conduct, which proposes management principles and methods for the value chain from seven aspects: Ethics and General Business Integrity, Business Integrity in the Pharmaceutical Industry, Environmental Protection, Human Rights and Labor Rights, Occupational Health and Safety, Asset Safety and Protection, Commitment, Continuous Improvement, and Management System.

Supplier Management Procedure

At Merck, doing business responsibly is written in our corporate DNA. When it comes to compliance with social and environmental standards, we place the highest demands not only on our own processes, but also on our suppliers.



Note:

1. TfS - join hands with sustainable development global initiative was launched by 26 chemical industry companies in 2011, aiming to promote sustainable development procurement of global supply chain through the integration of supplier assessment and audit practices worldwide. The sustainable development assessment of suppliers under the framework of TfS includes on-site audit, or obtaining the relevant information of suppliers from other public channels such as EcoVadis.
2. EcoVadis is an independent assessment service provider. Through the global SaaS cloud platform, it provides comprehensive CSR rating services for customer companies, and investigates the performance of enterprises in the environment, labor and human rights, business ethics and sustainable procurement.
3. IntegrityNext is a German supply chain sustainable management solution provider, focusing on providing supply chain environment, society and Governance (ESG) solutions, and is committed to helping the company build a more transparent and sustainable supply chain to meet the economic needs of undergoing rapid industrial change and enterprise transformation.

In China, we mainly use the network Together for Sustainability (hereinafter referred to as TfS)¹ to obtain an independent assessment and audit of our suppliers. We are also a member of the Pharma Supply Chain Initiative (PSCI) where we voluntarily adhere to their terms of business ethics, labor, health and safety, and related management systems. With a solid supplier evaluation and audit system as well as the high-quality management guidelines, together we create a sustainable value chain with our suppliers.

In addition, we actively invited relevant suppliers to participate in sustainability assessment, including EcoVadis² and IntegrityNext³, and used the performance of sustainable development in the past three years as an important basis for evaluating and reviewing relevant suppliers.

Case

Merck Supplier Days APAC Strengthens Local Partnership

As a key initiative to strengthen global supply chain collaboration and sustainability, Merck successfully held the 2025 Life Science Supplier Days across three locations worldwide: Darmstadt (Germany), St. Louis (USA), and Shanghai (China). The event brought together over 300 representatives from 90 suppliers. The Shanghai Asia-Pacific session featured 19 suppliers, with in-depth discussions on market recovery, business challenges, supply chain resilience, and sustainable solutions.

During the conference, five special awards were presented to recognize partners who made outstanding contributions to Merck's business success. In addition, the event included focused discussions on the "One Merck China" strategy and advancing carbon neutrality goals, highlighting Merck's strong commitment to driving innovation and sustainable development through local partnerships.



Appendix

GRI Content Index

Use Statement	Merck China reported the information (2024.1.1-2025.8.31) referenced in this GRI content index based on the GRI standard
GRI Standard Reference	GRI 1:Foundation 2021

GRI Standard	Disclosure	Chapter
General Disclosure		
GRI 2: General Disclosure 2021	2-1	Corporate Profile
	2-2	Corporate Profile
	2-3	About this Report
	2-6	Merck at a Glance
	2-7	Improving Well-being at Work via Inclusive Culture
	2-17	Letter from Merck China President
	2-22	Letter from Merck China President Sustainability Strategy
	2-29	Stakeholder Communication
GRI 3: Material Topics 2021	3-1	Stakeholder Communication
	3-2	

GRI Standard	Disclosure	Chapter
Economic		
GRI 205: Anti-Corruption 2016	205-1	Ensuring Compliance, Strengthening the Foundation for Corporate Growth
	205-2	
	205-3	
Environmental		
GRI 3: Material Topic 2021	3-3	Shaping a Sustainable Future with Low-carbon Manufacturing
GRI 302: Energy 2016	302-1	Shaping a Sustainable Future with Low-carbon Manufacturing
	302-2	
	302-3	
	302-4	
	302-5	
GRI 303: Water and Effluents 2018	303-1	Shaping a Sustainable Future with Low-carbon Manufacturing
	303-2	
	303-5	

GRI Standard	Disclosure	Chapter
GRI 305: Emissions 2016	305-1	Shaping a Sustainable Future with Low-carbon Manufacturing
	305-2	
	305-5	
GRI 306: Waste 2020	306-1	Shaping a Sustainable Future with Low-carbon Manufacturing
	306-2	
Social		
GRI 3: Material Topics 2021	3-3	Sustainability Strategy
GRI 401: Employment 2016	401-2	Improving Well-being at Work via Inclusive Culture
	401-3	
GRI 403: Occupational Health and Safety 2018	403-3	Ensuring Compliance, Strengthening the Foundation for Corporate Growth
	403-6	
	403-9	
GRI 404: Training and Education 2016	404-2	Improving Well-being at Work via Inclusive Culture
GRI 405: Diversity and Equal Opportunity 2016	405-1	Improving Well-being at Work via Inclusive Culture
GRI 413: Local Communities 2016	413-1	Building a Better Society through Corporate Citizenship
GRI 414: Supplier Social Assessment 2016	414-2	Ensuring Compliance, Strengthening the Foundation for Corporate Growth
GRI 416: Customer Health and Safety 2016	416-1	Sustainable Innovations for Humanity
		Building a Better Society through Corporate Citizenship

About this Report

Overview

Merck China Sustainability White Paper 2024 - 2025 (this report) explains our initiatives for sustainable value creation in the areas of business ethics, workforce management, environmental impact, community engagement, etc.

Merck China believes that it is crucial to communicate with all stakeholders and hopes that this report will generate better understanding of its sustainability efforts and collaboration in building mutually beneficial relationships.

Reporting Scope and Period

This report covers all Merck's operations and entities in China. The reporting period covers the years of 2024 and 2025 (January 1, 2024 to August 31, 2025).

Basis of Preparation

This report has been prepared using the Global Reporting Initiative (GRI) Sustainability Reporting Standards 2021 (GRI Standards).

Report Access

To protect the environment, we recommend that you read the electronic version of this report in PDF format. You may download the report at our website.

MERCK 默克

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