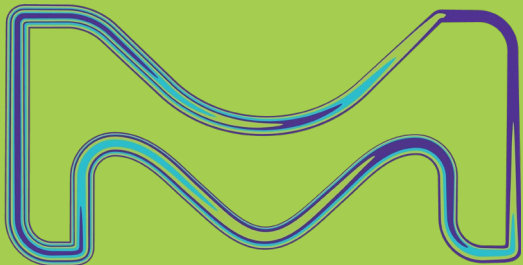


MERCK'S sustainability strategy and our expectation to European Legislation

Petra Wicklandt

Head of Corporate Sustainability, Quality & Trade Compliance



MERCK

Our Business Sectors

Healthcare



Oncology & Immuno-Oncology



General Medicine & Endocrinology



Neurology & Immunology



Fertility

Life Science



Genome Editing



Food and Beverage



Biologics

Electronics



Semiconductor Solutions

- Semiconductor Materials
- Delivery Systems & Services



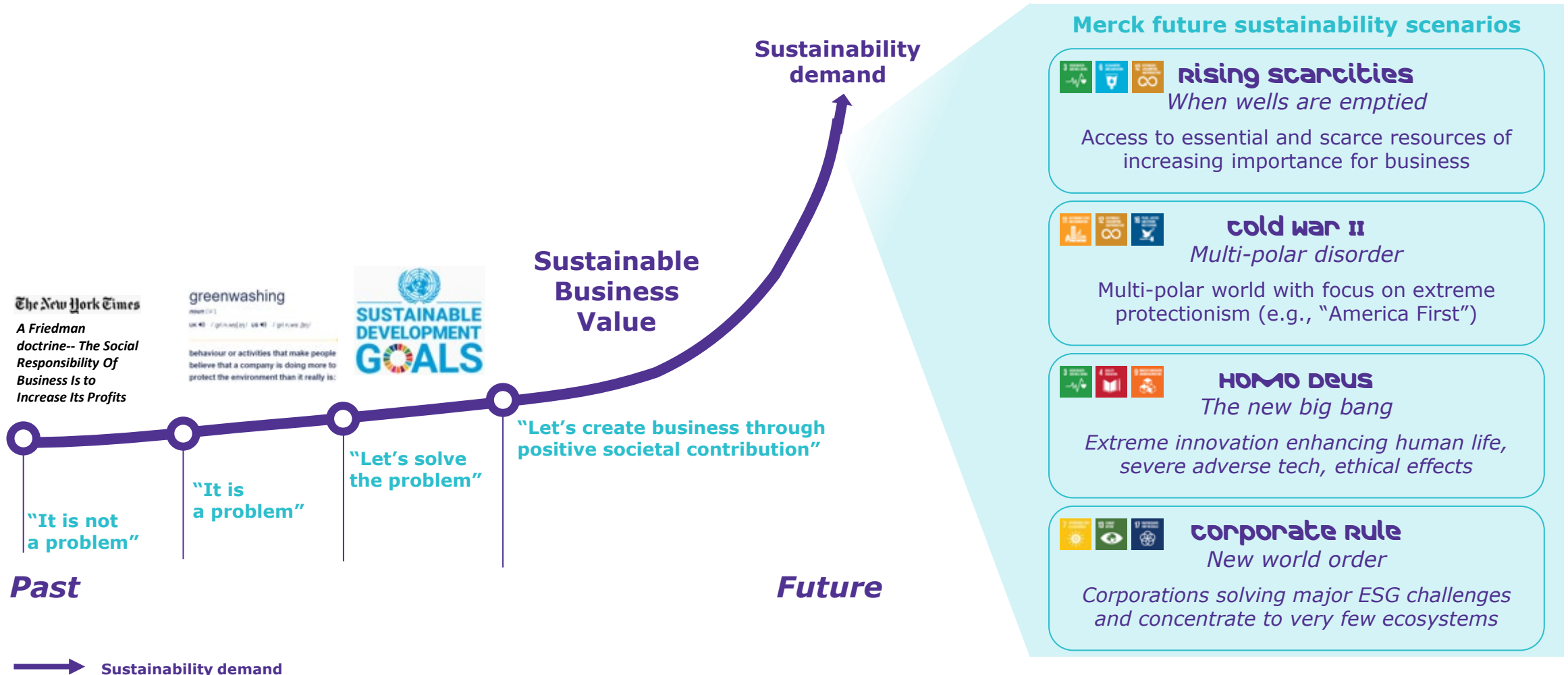
Display Solutions



Surface Solutions

The Evolution of Sustainability in Corporate Environments

„Create business with and through positive societal contributions“

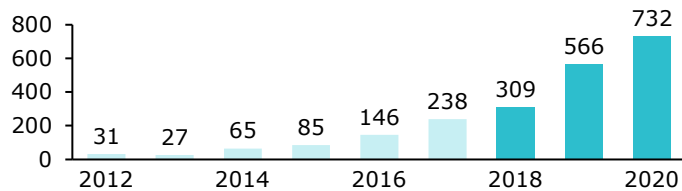


Speed of Change in Sustainability Demand

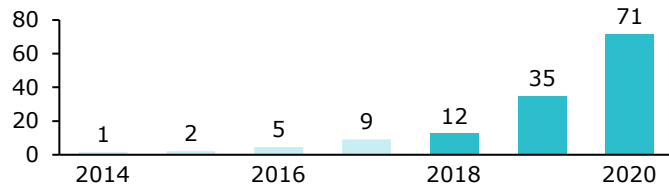
The recent exponential growth in sustainability demands creates a global transformation

Investment Behavior

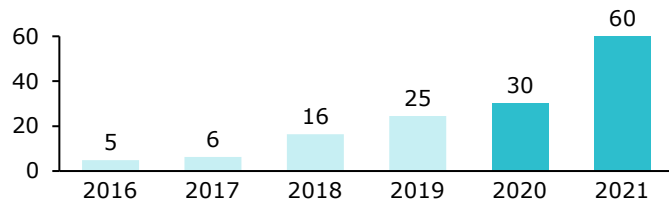
Annual green bonds
[billion \$]



AUM MSCI ESG indexes
[billion \$]

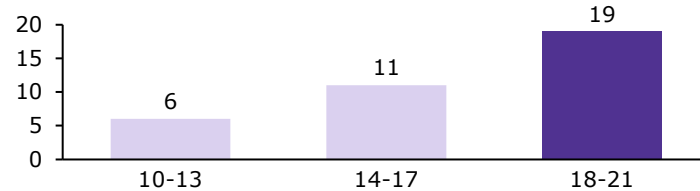


EU ETS price
[US\$/tCO2e]

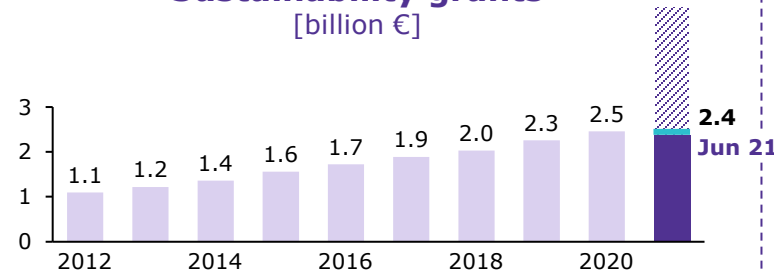


Regulations & Technologies

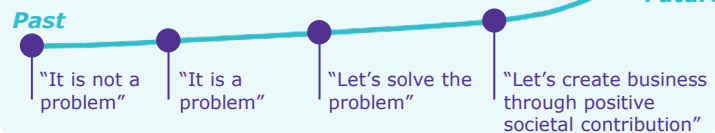
EU sustainable regulations
[number of regulations]



Sustainability grants
[billion €]

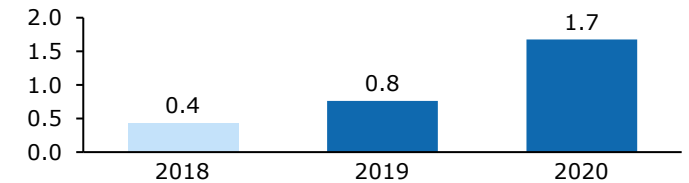


Evolution of sustainability in corporate environments

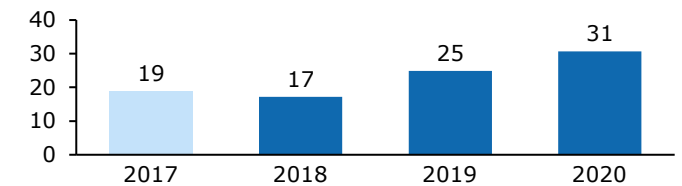


Other

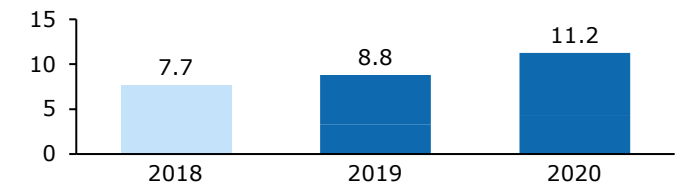
US environ. violation penalties
[billion \$]



Persons displaced in the context of disasters and climate change
[number of displacements in millions]

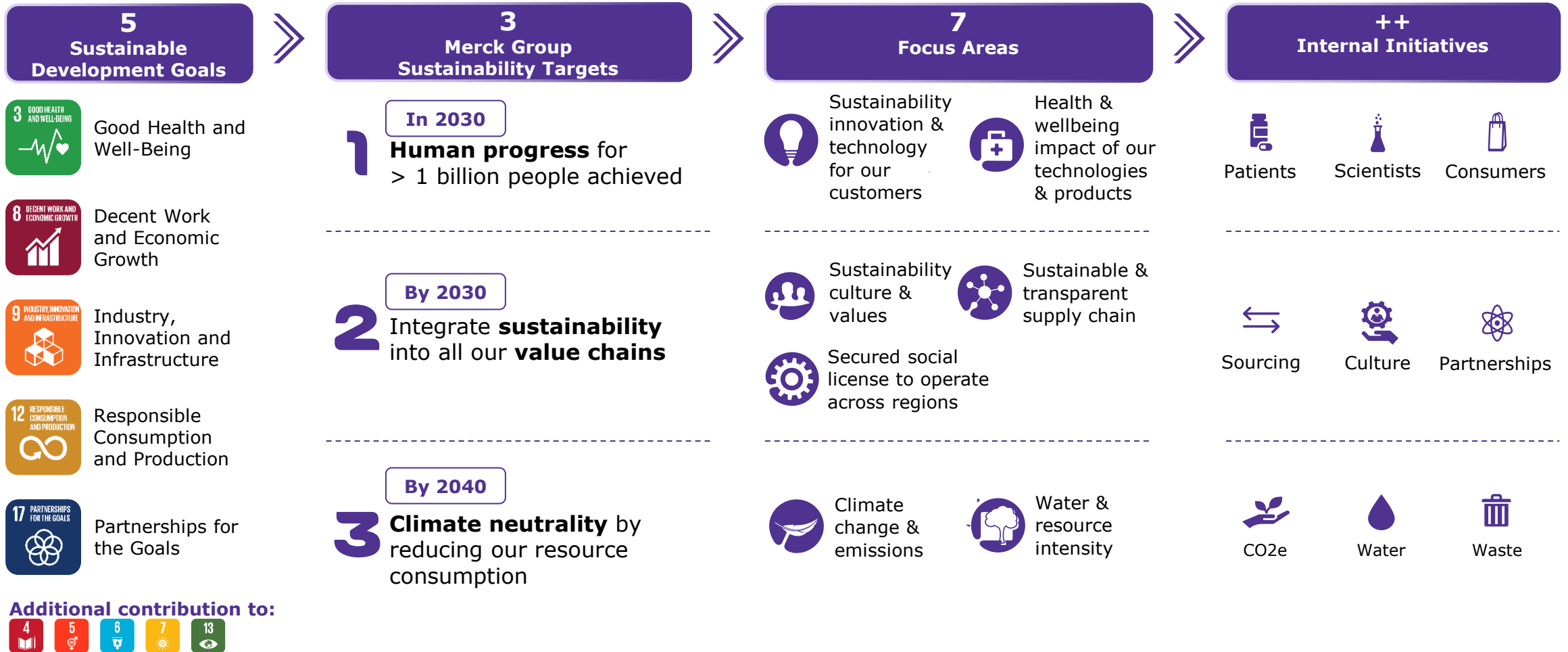


U.S. & EU plant-based food market
[billion \$]



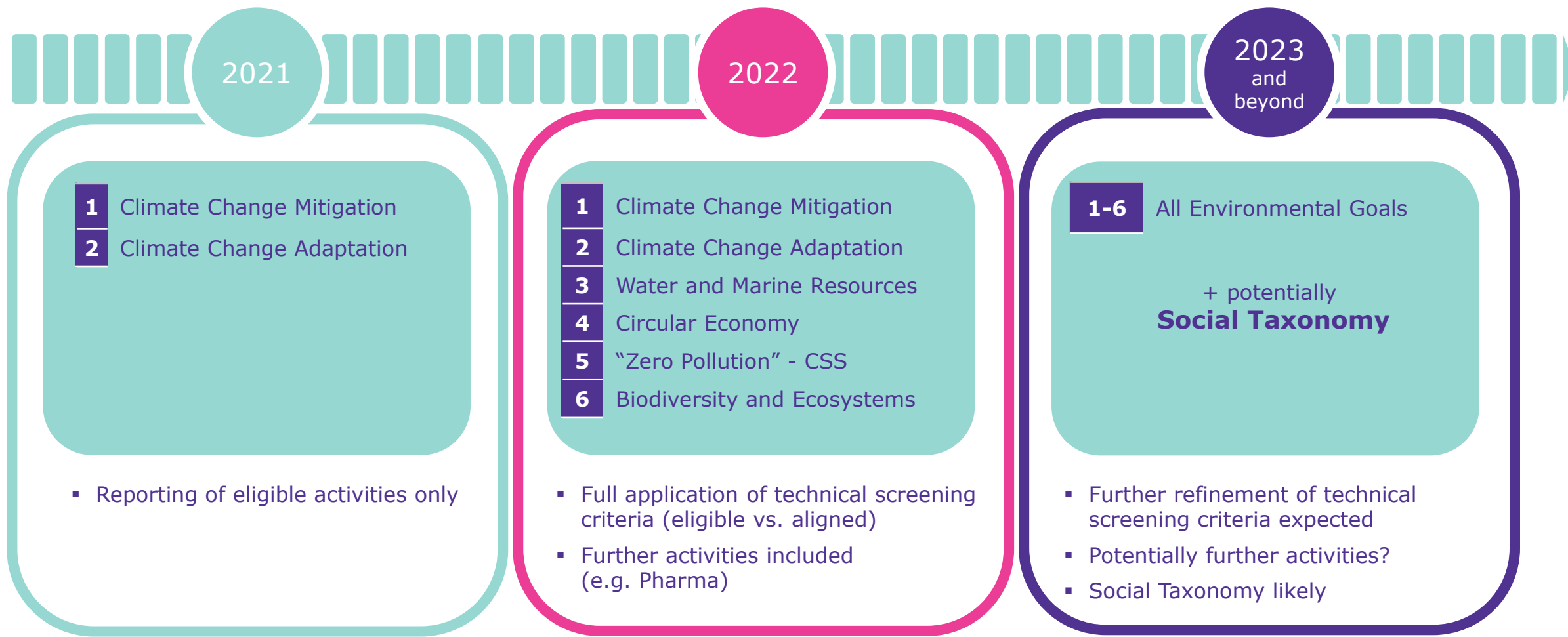
Merck Sustainability Strategy

How we generate our sustainability impact



EU Green Deal will increase regulatory requirements - significantly

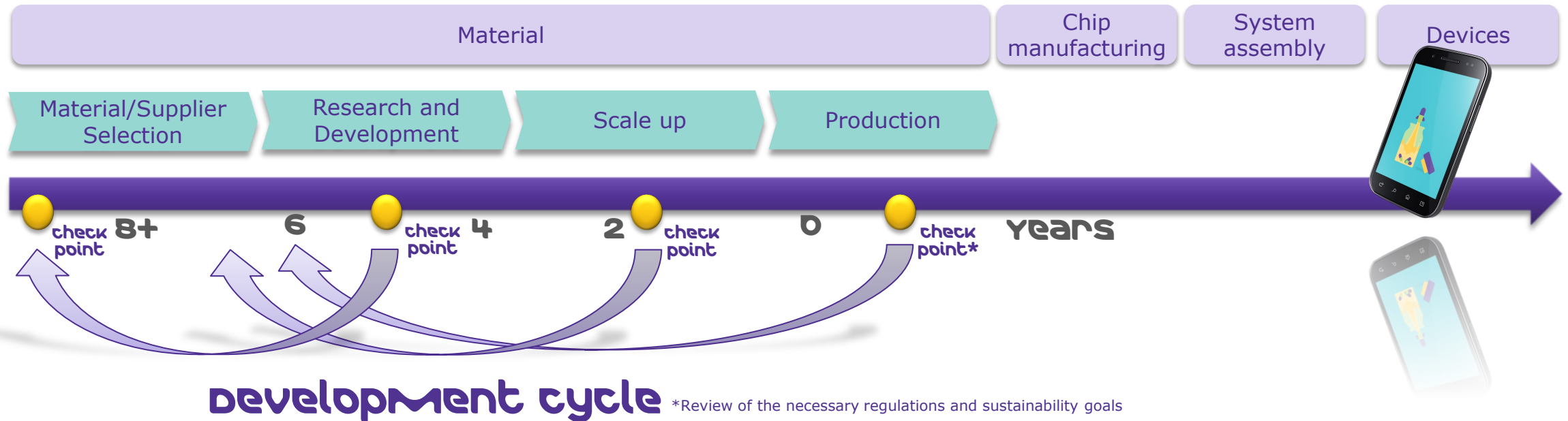
The upcoming regulation will boost data requirements & exchange



* CSS: Chemical Strategy for Sustainability

Innovation is needed to drive the industry towards sustainability

Pace of regulatory changes shorten the timeline for qualification of alternatives



Timeline assumes promising alternatives have already been identified.

However, this development cycle will require repetition each time a substance (e.g., PFAS, SoC) is phased out.

Europe need to be prepared

Political decision makers and industry need to cooperate closely

We ask the political decision makers to

- Enable preparation by **sufficient transition periods**
- Ensure **same level playing field** within the EU and rest of world
- Support **safe & fast IT-infrastructure** – politically, regulatory and finically
- **Avoid counteracting guidance**,
(e.g. increasing EU semicon production while asking for substitution of required chemicals)
- Ensure IP and trade secret protection by **high level of Cybersecurity**

...and we hope for a continuously close cooperation with you as IT-industry as well!