

compensation report

This Compensation Report describes the structure and application of the compensation system for the Executive Board of Merck KGaA, Darmstadt, Germany, in fiscal 2024. It provides a transparent overview of the relationship between compensation and performance, and presents the compensation awarded or due to the members of the Executive Board and the Supervisory Board in fiscal 2024. The Supervisory Board and the Executive Board have jointly prepared the Compensation Report which meets the requirements of section 162 of the German Stock Corporation Act (AktG). It is audited by Deloitte Wirtschaftsprüfungsgesellschaft GmbH formally in accordance with section 162 (3) AktG formally and materially. Furthermore, we are oriented towards the requirements of the German Corporate Governance Code (DCGK) in the version dated April 28, 2022. The Compensation Report and the corresponding [audit report](#) can be found on our [website](#).

The legislation and regulations relating to the Compensation Report are geared toward the situation at a German stock corporation (“Aktiengesellschaft” or “AG”) and do not take into consideration the special characteristics of a corporation with general partners (“Kommanditgesellschaft auf Aktien” or “KGaA”), such as our company. Major differences between the two legal forms exist in terms of liability and management. In the case of an AG, only the AG is liable as a legal entity, whereas the general partners of a KGaA also have unlimited personal liability for the company’s obligations (section 278 (1) AktG). Unlike the management board members of an AG, the members of the Executive Board of our company are personally liable partners of both Merck KGaA, Darmstadt, Germany, and the general partner E. Merck KG, Darmstadt, Germany, and not merely employed members of a corporate board.

Review of fiscal 2024

In the 2024 financial year, the company returned to growth. Positive developments were realized in all three business sectors Life Science, Healthcare and Electronics.

The Life Science business sector saw a significant increase in order intake compared with the previous year, especially in the Process Solutions business unit. We acquired Mirus Bio, where we strengthened our viral vector bioprocess offering, moving closer to offering a full, integrated package of solutions for viral vector-based cell and gene therapies.

The pipeline of our Healthcare business sector and the diverse network of partners have contributed to our stabilized position. We strengthened our pipeline with a series of external innovation deals, and we expanded across key franchises through our product portfolios.

We further strengthened our position as the preferred partner for advanced materials, equipment and services in the Electronics business sector. With the acquisition of Unity-SC, we triggered our positioning from Display Solutions to Optronics. The realignment towards cutting-edge optical technologies is expected to drive long-term growth. In addition, the sale of the Surface Solutions business was initiated.

Sustainability is an integral part of our business strategy. In fiscal 2024, we made significant progress towards achieving our sustainability goals. By consistently pursuing our climate targets, we have further reduced our greenhouse gas emissions (Scope 1 and 2). In addition, we strengthened our sustainability initiatives by setting new targets for water and waste management with a focus on the circular economy. In order to further advance our long-term sustainability goals, we have once again implemented corresponding key figures and targets in the Sustainability Factor in the Long-Term Incentive Plan (LTIP) 2024.

In fiscal 2024, the composition of the Executive Board remained unchanged. For the members of the Executive Board, the contractually agreed compensation also remained unchanged, and no increases were made in fiscal 2024.

Michael Kleinemeier took over as Chairman of the Supervisory Board in February 2024. The Annual General Meeting on April 26, 2024 confirmed Michael Kleinemeier as chairman, and a further six new members were elected. Furthermore, a new compensation system for the members of the Supervisory Board was approved by the Annual General Meeting 2024 with a voting result of 99.06%. The new compensation system has been in force since May 1, 2024.

Approval of the Compensation Report 2023

At the Annual General Meeting 2024, the Compensation Report 2023 was approved with a voting result of 90.38% in accordance with section 120a (4) AktG. Only shareholders of Merck KGaA are entitled to vote at the Annual General Meeting (and thus not E. Merck KG, Darmstadt, Germany, in its capacity as personally liable partner of Merck KGaA, Darmstadt, Germany).

During the Annual General Meeting 2024 and in numerous discussions thereafter, Merck received feedback from investors, all relevant shareholder associations and proxy advisors on the compensation of the Executive Board as well as the presentation of the Compensation Report. We consider this feedback as valuable input for the revision of the compensation system, which will be submitted for approval at the Annual General Meeting 2025.

In the discussions, the importance of transparency was emphasized, and, in this context, our already clear presentation was assessed positively. Particular emphasis was placed on the already transparent disclosure of the comparator companies used and the ex-ante publication of our sustainability goals in the LTIP. An ex-ante publication of the target corridors of the financial key figures was also requested, but we still do not intend to publish this for competitive reasons and in line with market practice. We will continue to report the target corridors, results and resulting target achievements transparently after the expiry of the LTIP tranches.

The discussion partners welcomed the consideration of individual achievements and responsibilities of the members of the Executive Board in the profit sharing. The transparent presentation and explanation in the context of the application of the adjustment factor were also considered helpful and will be continued for the 2024 financial year.

With regard to the LTIP, the relative share price development compared to the DAX® Performance Index was discussed. A comparator group with an international orientation for the evaluation of relative performance was suggested. However, the discussions also showed understanding that possible alternatives would not do justice to our diversified business model and would entail too much complexity.

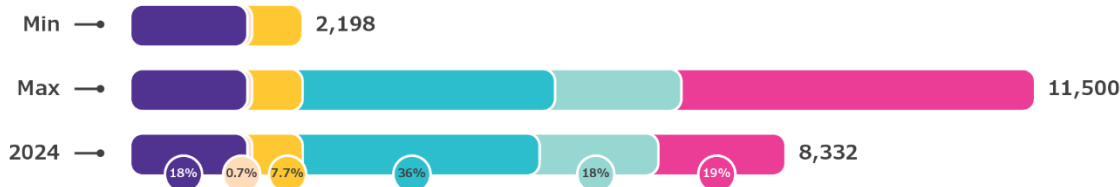
It was pointed out that the topic of sustainability and the corresponding ESG goals should be given more weight in the remuneration of the Executive Board. The materiality of the goals for our company is also of great importance. In our opinion, this aspect and the close link with the corporate strategy are already taken into account in the selection of goals.

The exchange with our investors is an important and continuous process. The discussions and the feedback received in the financial year have been significantly incorporated into the current revision of the remuneration system. In the run-up to the 2025 Annual General Meeting, we will continue the dialogue with investors in order to obtain constructive and valuable feedback that can be incorporated into decisions on the remuneration of the Executive Board. We will report accordingly in the 2025 Compensation Report.

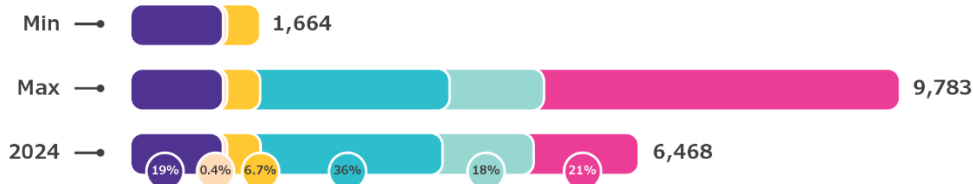
Compensation for fiscal 2024 – Summary

Summary of the compensation for the Executive Board members' performance up to December 31, 2024 (see "Executive Board Compensation for 2024")

Belén Garijo



Ø further EB members¹



- Base salary
- Additional benefits
- Pension entitlement
- 2/3 of profit sharing 2023 (free disposal)
- 1/3 of profit sharing 2023 (to be held in shares for 4 years)
- LTIP 2021

¹ The average calculation for further EB members the compensation of Kai Beckmann and Peter Guenter is included. Matthias Heinzel joined the Executive Board during fiscal 2021 and participated in the LTIP 2021 on a pro-rata basis. Helene von Roeder joined the Executive Board in 2023 and will not receive any payout from the LTIP 2021. Considering their variable compensation would lead to a distortion of the illustration. Peter Guenter's compensation payment is not considered at all.

Terms of the compensation components for fiscal 2024

	2021	2022	2023	2024	2025	2026	2027	2028
Non-performance-related								
Base salary								
Additional benefits								
Pension entitlement								
Performance-related								
Profit sharing 2024								
LTIP 2021								

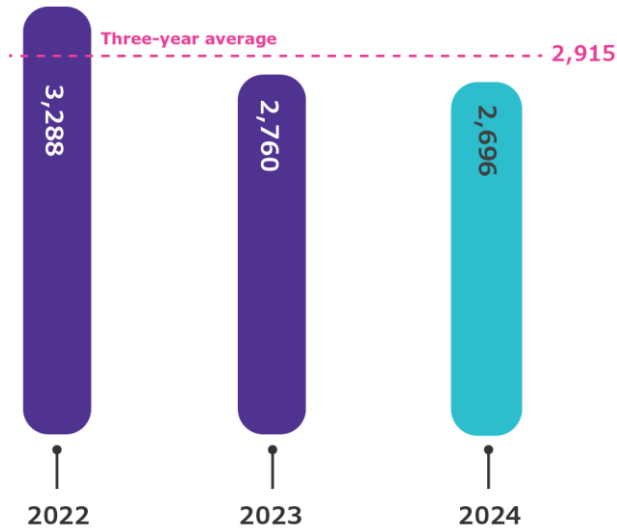
Three years performance cycle (Profit sharing 2024)

Four years performance cycle (LTIP 2021)

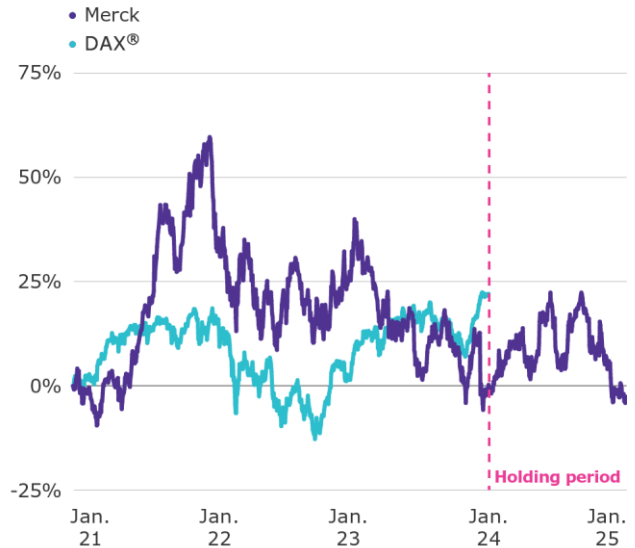
1/3 of payout to be held in Merck shares for at least four years

Relevant key performance indicators for profit sharing and LTIP

Profit after tax of E. Merck Group (€ million)



Performance of share



LTIP 2021

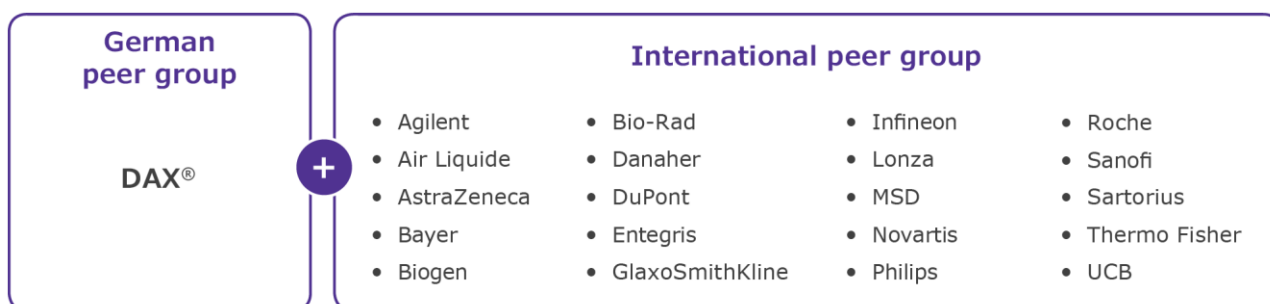
Performance indicator	Target corridor	Actual value	Target achievement
Share price performance relative to DAX® (Weighting: 50%)	<div> <div>Lower limit</div> <div>Target value</div> <div>Upper limit</div> <div>-20%</div> <div>0%</div> <div>50%</div> </div>	-8.6%	57.0%
EBITDA pre margin (Weighting: 25%)	<div> <div>Lower limit</div> <div>Target value</div> <div>Upper limit</div> <div>24.9%</div> <div>27.9%</div> <div>30.9%</div> </div>	29.9%	133.4%
Organic sales growth (Weighting: 25%)	<div> <div>Lower limit</div> <div>Target value</div> <div>Upper limit</div> <div>5.7%</div> <div>8.7%</div> <div>11.7%</div> </div>	6.2%	16.8%
<div> <div>● Actual value</div> <div>Total target achievement:</div> <div>66.1%</div> </div>			

Determining the compensation of the Executive Board

At our company, unlike at publicly listed German stock corporations, it is not the Supervisory Board but the Board of Partners of E. Merck KG, Darmstadt, Germany, that is responsible for designing and reviewing the compensation system and deciding on the amount and composition of compensation paid to Executive Board members. The Board of Partners has assigned this task to its Personnel Committee. As a result, the Personnel Committee is responsible for the development and regular review of the compensation system, i.e. structuring and examining of the performance-independent and performance-related compensation elements. The Personnel Committee also takes into account the compensation system for managers and employees below Executive Board level to ensure consistency and a uniform steering effect between the compensation systems. Furthermore, the Personnel Committee is responsible for defining the annual targets and thresholds of the key performance indicators for the performance-related compensation elements.

In addition to structuring the Executive Board compensation system, the Personnel Committee is responsible for defining the specific amounts of compensation paid to the members of the Executive Board. The compensation paid to the members of the Executive Board considers the responsibilities and duties of the individual Executive Board members, particularly their status as personally liable partners, their individual performance and the economic situation as well as the performance and future prospects of the group.

Furthermore, Executive Board compensation is oriented toward the external peer environment of our company, which comprises the DAX® companies as well as a group of selected international competitors:



The international peer group was defined considering the size, business area and geographic location of the headquarters of the respective competitors. Overall, the peer group offers an appropriate ratio of companies headquartered in Europe and the United States as well as a balanced coverage of the Life Science, Healthcare and Electronics business sectors. In relation to the size criteria of sales, number of employees and market capitalization, Merck positions itself around the median of this international peer group.

Moreover, for the determination of the specific compensation amounts, the relation between Executive Board compensation, top management compensation and workforce compensation will also be considered based on a multi-year assessment. Top management is defined as senior levels of management below the Executive Board in Germany. The average compensation of an employee in full-time employment in Germany is considered in the determination of the compensation of the remaining staff.

The Personnel Committee regularly reviews the amount and structure of the Executive Board compensation by referring to the peer groups described and with the assistance of an independent compensation consultant.

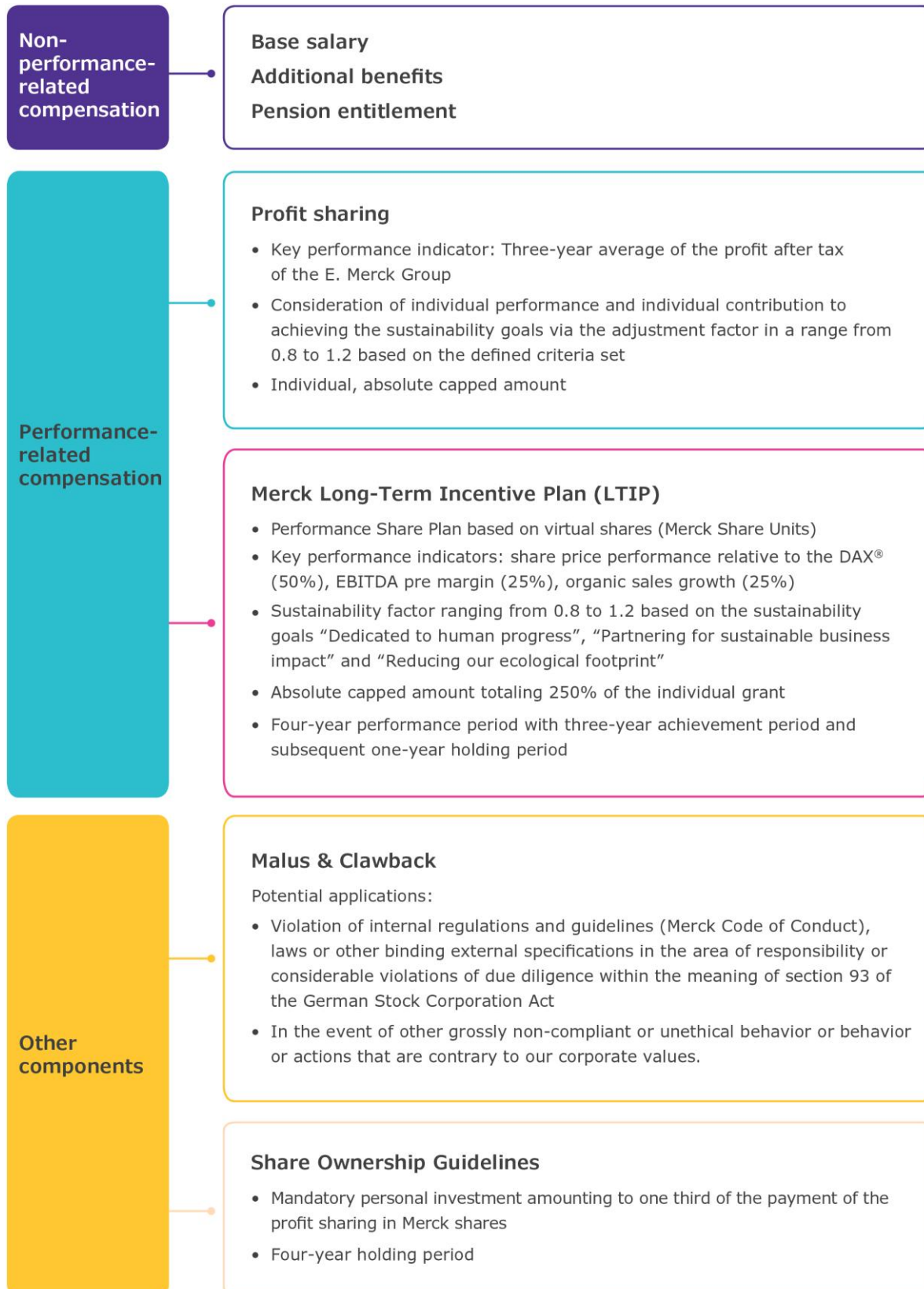
Overview of the structure of the compensation system

Compensation components

Executive Board compensation includes three main components: base salary, profit sharing and the Long-term Incentive Plan (LTIP). It is complemented by contributions to the company pension plan as well as additional benefits. Additional compensation arrangements also exist for the members of the Executive Board, in particular malus and clawback provisions and a Share Ownership Guideline.

The performance-related compensation elements – profit sharing and the LTIP – are based on a multi-year performance period, and as such, are fully oriented toward the company's long-term development. In addition, the LTIP has a strong reference to the company's share price, to specifically recognize our shareholders' interests. The key performance indicators selected for variable compensation are derived from the corporate strategy and form part of our central controlling system. In this way, the variable compensation of the Executive Board members is used as a strong steering tool to ensure a focus on our objective of long-term profitable growth accompanied by strong cost discipline.

The following diagram provides an overview of all the elements of the compensation system for Executive Board members:



Executive Board compensation for 2024

The performance-related and performance-independent components of the compensation system for the Executive Board in fiscal 2024 are fully consistent with the Executive Board compensation system approved by the Annual General Meeting 2021 with a voting result of 87.08%. The compensation system for the Executive Board is published on our [Website](#) and applies to all members of the Executive Board since January 1, 2021. The Personnel Committee ensures compliance with the compensation system by deciding by resolution on the parameters of the compensation elements (e.g. target setting, determination of target achievement, etc.) as well as on the amounts to be paid out.

The following section reports on the compensation awarded or due in accordance with section 162 (1) AktG. Accordingly, the following sections contain all amounts paid to individual members of the Executive Board (active and former members) in fiscal 2024 (compensation awarded) as well as all amounts legally due but not yet received (compensation due).

In addition, the compensation for which the members of the Executive Board have provided the underlying service in full by December 31, 2024, but whose payment will be made in the following year, is disclosed on a voluntary basis. This applies to the profit sharing for fiscal 2024, as well as to the LTI tranche 2021, the performance period of which ended on December 31, 2024. These amounts have been provisionally determined by the Personnel Committee by resolution. The final amount will be paid to the members of the Executive Board once the consolidated financial statements of E. Merck KG have been released. This enables transparent information and ensures the link between performance and compensation in the financial year.

Performance-independent compensation

Base salary

As base salary, the members of the Executive Board receive contractually fixed performance-independent amounts that are paid in the form of 12 equal monthly installments. There was no increase in base salaries in fiscal 2024.

Additional benefits

The additional benefits mainly include company cars for personal use, contributions to insurance policies and expenses for personal protection.

In addition, as compensation for the loss of entitlements to variable compensation from his previous employment relationship, Peter Guenter received upon the initial appointment in fiscal 2021 a commitment to compensation totaling € 1,500,000. The entitlement has been verified in the context of his initial appointment based on supporting documents and the amount has been determined accordingly. The amount was to be paid in cash in four equal annual installments from 2021 to 2024 on July 1 each year subject to the continuation of employment. The last installment of € 375,000 was paid accordingly on July 1, 2024.

Compensation payments were agreed with Helene von Roeder to compensate for the loss of variable compensation claims from her previous position on the Management Board of Vonovia SE, which resulted from her move to the Executive Board of Merck KGaA on July 1, 2023. The loss of the claims was proven on the basis of appropriate supporting documents. For the loss of entitlement to short-term variable compensation 2023, Helene von Roeder received € 257,125 in April 2024.

The compensation payment for the loss of the long-term variable compensation entitlement is based on the plan rules of Vonovia SE's LTIP Tranche 2023, the performance period of which runs from the beginning of 2023 to the end of 2026. The amount can only be calculated after the publication of Vonovia SE's 2026 annual financial statements and will be paid out in fiscal 2027. This procedure ensures that Helene von Roeder only receives the long-term variable compensation that has actually been lost. The details of this were published in the 2023 Compensation Report.

Pension entitlement

The members of the Executive Board are granted a pension obligation as a direct commitment. A fixed amount is paid into a benefit account every year, and interest is paid at the applicable statutory maximum technical interest rate for the life insurance industry in accordance with section 2 (1) of the German Regulation on the Principles Underlying the Calculation of the Premium Reserve (DeckRV). Once the pension event occurs, the amount in the benefit account is paid out either in ten annual installments or as a one-time payment. The pension event occurs upon retirement, in the event of occupational disability or death. In fiscal 2024, no pension contributions were increased. The following table shows the pensions obligations which result from the pension entitlement of the members of the Executive Board.

Pension obligations

		IAS 19			
		Service cost		Present value of the pension obligation as of December 31	
€ thousand	Contribution level	2024	2023	2024	2023
Belén Garijo	650	640	638	8,710	7,858
Kai Beckmann	450	435	435	7,478	6,875
Peter Guenter	450	436	435	1,835	1,357
Matthias Heinzl	450	447	454	1,883	1,405
Helene von Roeder (Entry: July 1, 2023)	450	479	268	733	268
Total	2,450	2,437	2,230	20,639	17,763

Performance-related compensation

Performance-related compensation comprises the profit sharing as well as the LTIP.

Profit sharing

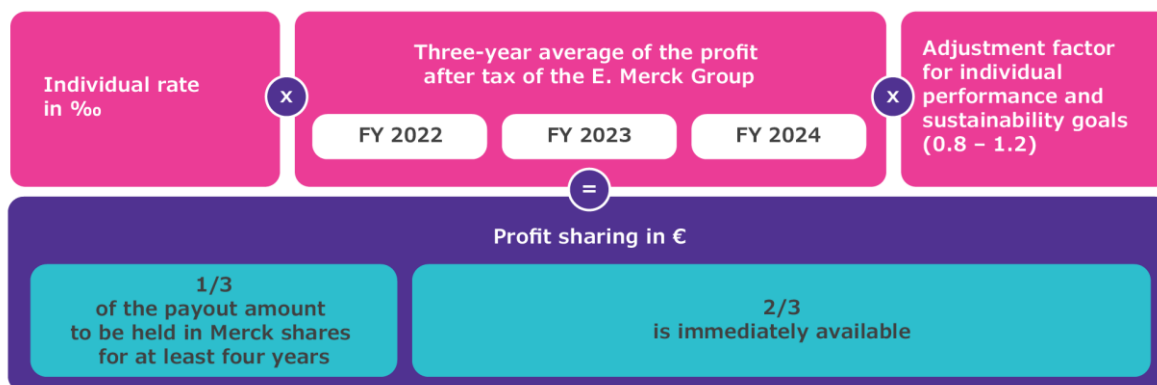
With regards to the profit sharing, an individual profit sharing rate is contractually defined for the members of the Executive Board as a per mille rate of the three-year average of the consolidated profit after tax of the E. Merck Group, Darmstadt, Germany. Fiscal 2024 and the two preceding fiscal years are included in the calculation.

The use of profit after tax as the key performance indicator, which also serves as the basis for dividend payments, ensures very close alignment with shareholder interests.

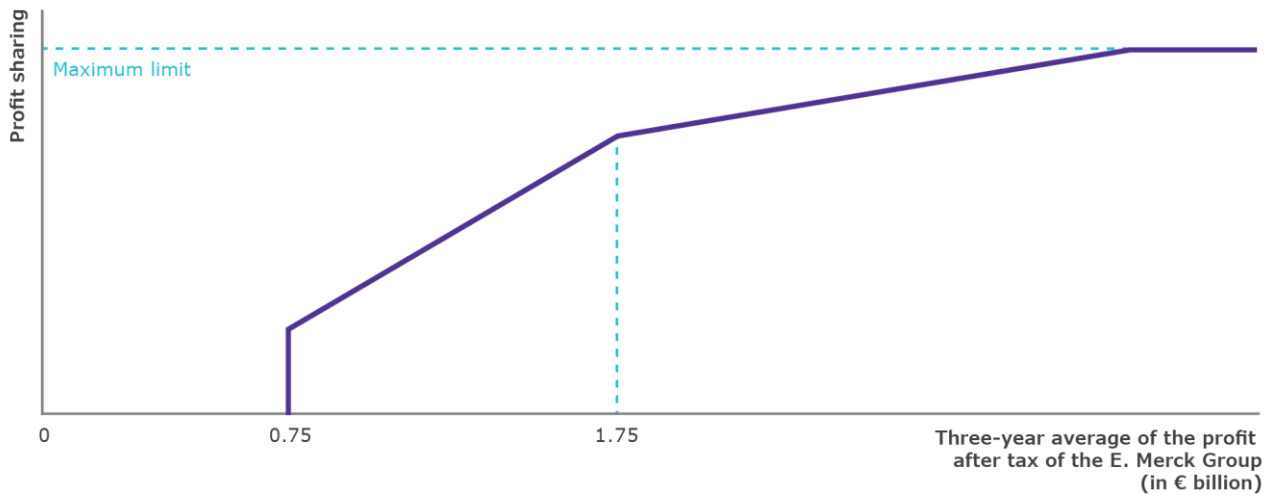
To appropriately consider the individual performance of the Executive Board members, the Personnel Committee may modify the payment by applying a factor ranging from 0.8 to 1.2. The performance factor allows recognition of outstanding individual performance as well as overachievement of sustainability targets by multiplying the profit sharing by a value greater than 1.0 up to 1.2. Similarly, multiplying by a value less than 1.0 down to 0.8 can reduce the profit sharing if the circumstances call for it such as failure of achieving specific sustainability targets.

The members of the Executive Board are obligated to invest one-third of the payout of the profit sharing in shares of Merck KGaA, Darmstadt, Germany, and to hold them for at least four years. The obligation to hold shares refers to the payout amount of the profit sharing. To simplify the calculation of the amount to which the shareholding obligation relates, it is assumed that one third of the payout amount corresponds to one sixth of the profit sharing. Further details are provided under the heading "[Share Ownership Guideline](#)".

The following illustration shows the profit sharing for fiscal 2024:



An average profit after tax of at least € 0.75 billion must be generated for the profit sharing payment to be made. This minimum threshold reflects the “pay-for-performance” approach of the compensation system. If the profit exceeds this threshold, the individual profit sharing rates are staggered as illustrated below:



The maximum profit sharing payment is capped individually. It amounts to € 4,810 thousand for Belén Garijo, € 3,500 thousand for Kai Beckmann, € 3,900 thousand for Peter Guenter, € 3,900 thousand for Matthias Heinzel, and € 3,300 thousand for Helene von Roeder.

The three-year average that is relevant for fiscal 2024 was based on the profit after tax generated by the E. Merck Group, Darmstadt, Germany in fiscal 2022, 2023 and 2024 as illustrated in the following table and graphic:

Profit after tax of the E. Merck Group, Darmstadt, Germany

€ million	2021	2022	2023	2024
Profit after tax	3,003	3,288	2,760	2,696
Three-year average profit after tax (2021-2023)		3,017		
Three-year average profit after tax (2022-2024)			2,915	

(€ million)



The Personnel Committee has set the adjustment factor at 1.0 for all members of the Executive Board, taking into account individual performance and contribution to the sustainability goals against the background of the agreed criteria. Thanks to the performance and commitment of the members of the Executive Board, the Group has been put back on track for growth. The three business sectors Life Science, Healthcare and Electronics performed well in fiscal 2024 and showed numerous successes. In the area of sustainability, greenhouse gas emissions have been successfully reduced, new priorities have been set in water and waste management, and further sustainability goals have been achieved. With its sustainable leadership and well-thought-out decisions, the Executive Board has made a significant contribution to the Group's rapid and successful return to growth.

All members of the Executive Board contributed equally to this development. In the view of the Personnel Committee, it is therefore not appropriate to differentiate the adjustment factor between the individual members of the Executive Board.

Considering the relevant three-year average of the profit after tax, the individual sharing rates and the performance factor, the profit sharing and the shareholding obligation for fiscal 2024 are as follows:

Profit sharing 2024 summary

	Three-year average profit after tax (€ million)	Average individual profit-sharing rate 2024 (in per mill) ¹	Performance factor for individual performance	Profit sharing amount (€ thousand)	thereof investment obligation (1/3) (€ thousand) ²
Belén Garijo	2,915	1.55	1.0	4,515	1,505
Kai Beckmann		1.13	1.0	3,282	1,094
Peter Guenter		1.25	1.0	3,654	1,218
Matthias Heinzel		1.25	1.0	3,654	1,218
Helene von Roeder		1.06	1.0	3,082	1,027

¹ Profit sharing amount in relation to the three-year average after tax.

² Gross amount - investment obligation is based on payout amount.

The profit sharing 2024 will be paid out in April 2025. One-third of the payout of the profit sharing must be invested in shares of Merck KGaA, Darmstadt, Germany, and held for at least four years (investment obligation). Further details of the investment obligation can be found under [“Share Ownership Guideline”](#).

In fiscal 2024, the profit sharing for fiscal 2023 already explained in detail in the Compensation Report 2023 was paid out, which is thus reported as compensation awarded or due in fiscal 2024 in accordance with section 162 of the German Stock Corporation Act (AktG). Further details can be found in the following table from the previous year:

Profit sharing 2023 summary

	Three-year average profit after tax (€ million)	Average individual profit-sharing rate 2023 (in per mill) ¹	Performance factor for individual performance	Profit sharing amount (€ thousand)	thereof investment obligation (1/3) (€ thousand) ²
Belén Garijo	3,017	1.52	1.0	4,587	1,529
Kai Beckmann		1.10	1.0	3,333	1,111
Peter Guenter		1.23	1.0	3,712	1,237
Matthias Heinzel		1.23	1.0	3,712	1,237
Marcus Kuhnert (until June 30, 2023) ³		0.52	1.0	1,567	522
Helene von Roeder (since July 1, 2023) ⁴		0.52	1.0	1,567	522

¹ Profit sharing amount in relation to the three-year average after tax.

² Gross amount - investment obligation is based on payout amount.

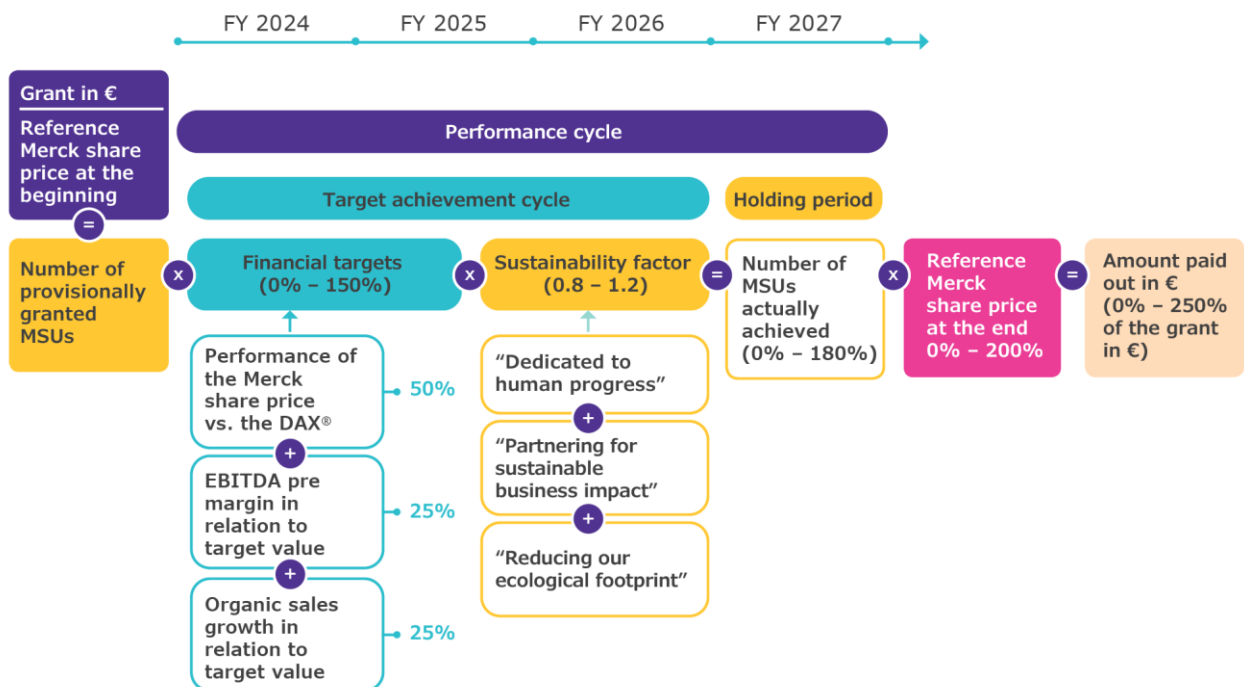
³ Pro-rated for January 1, 2023 until June 30, 2023

⁴ Pro-rated for July 1, 2023 until December 31, 2023

Long-Term Incentive Plan (LTIP)

LTIP tranche for fiscal 2024

The LTIP is designed as a virtual performance share plan. It is based on a four-year future-oriented performance cycle that is composed of a three-year target achievement cycle and a subsequent one-year holding period. In addition to three financial performance indicators, the LTIP takes sustainability targets into account. These targets are linked to a sustainability factor. The sustainability factor has a range of 0.8 to 1.2 and can increase or reduce the target achievement resulting from the financial key performance indicators by up to 20%. The following graphic illustrates the calculation of the Merck Share Units (MSUs) as well as the functionality of the sustainability factor.



Calculation of the MSUs

Under the LTIP, members of the Executive Board are provisionally granted a certain number of virtual shares, so-called Share Units of Merck Darmstadt, Germany (MSUs). The number of MSUs is calculated as follows: An individual grant in Euros is set for each Executive Board member. Every year, this grant is divided by the definitive reference share price at the beginning of the performance cycle, resulting in the number of MSUs that the respective member is provisionally entitled to receive. The relevant reference share price is based on the average share price within the last 60 trading days prior to the start of the performance period.

In fiscal 2024, the LTIP tranche 2024 was allocated as follows:

LTIP Tranche 2024 allocation

	Grant amount (€ thousand)	Reference Merck share price at the beginning (in €)	Number of provisionally granted MSUs	Maximum payout (€ thousand)
Belén Garijo	2,300	149,4	15,395	5,750
Kai Beckmann	1,715		11,479	4,288
Peter Guenter	1,900		12,718	4,750
Matthias Heinzl	1,900		12,718	4,750
Helene von Roeder	1,400		9,371	3,500

The number of MSUs actually allocated to the Executive Board members after the end of the target achievement cycle depends on the development of the financial performance indicators and the sustainability factor during the three-year target achievement cycle.

Based on the three financial performance indicators, the number of MSUs allocated may be between 0% and 150% of the provisionally granted MSUs. The resulting number of MSUs is then multiplied by the sustainability factor.

The sustainability factor target achievement can range between 0.8 and 1.2 and is determined by the predefined sustainability key indicators. Thus, the total number of MSUs actually allocated can amount to a maximum of 180% of the provisionally granted MSUs.

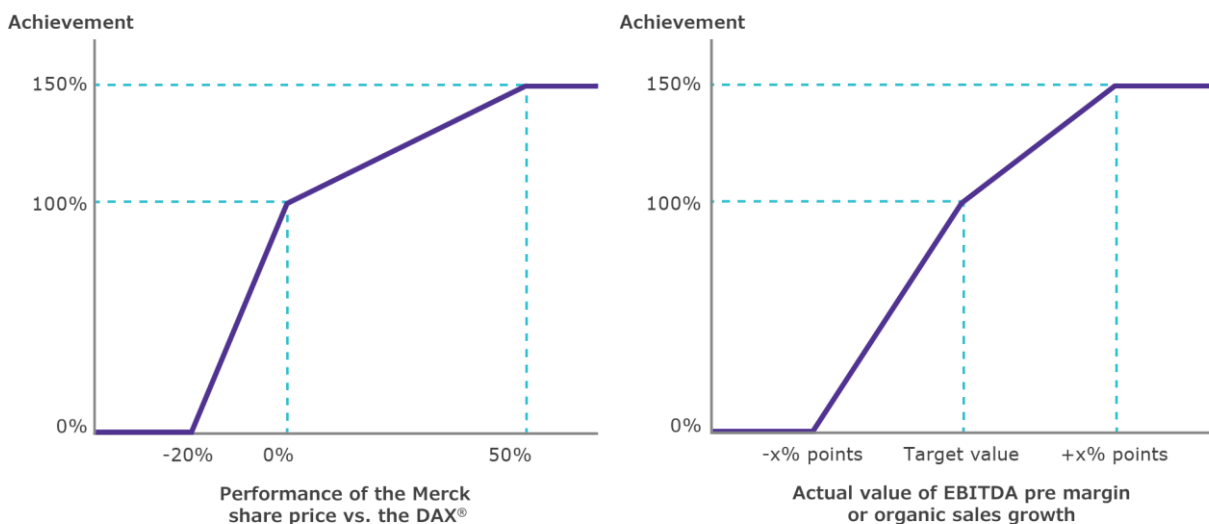
The target achievement cycle is followed by a one-year holding period. The final payout amount may be between 0% and a maximum of 250% of the amount initially granted and depends on the number of MSUs actually allocated and the reference share price at the end of the performance cycle.

Financial key performance indicators

The relevant financial key performance indicators are:

- The performance of the share price of Merck KGaA, Darmstadt, Germany, compared with the performance of the DAX® with a weighting of 50%;
- The EBITDA pre margin as a proportion of a defined target value with a weighting of 25%; and
- The organic sales growth of the group as a proportion of a predefined target value with a weighting of 25%.

The number of MSUs actually allocated after the end of the target achievement cycle is based on the following target achievement curves. The targets and thresholds for the key performance indicators of the EBITDA pre margin and organic sales growth are defined by the Personnel Committee at the beginning of the performance cycle and subsequently published in the Compensation Report.



Non-financial key indicators of the sustainability factor

With the introduction of the sustainability factor in fiscal 2022, our sustainability strategy also becomes incorporated into the LTIP. Based on the sustainability goals ("Dedicated to human progress", "Partnering for sustainable business impact" and "Reducing our ecological footprint"), the Personnel Committee defines corresponding specific and measurable sustainability key indicators as well as associated target and threshold values at the beginning of each tranche of the LTIP. These values are used to calculate target achievement at the end of the relevant target achievement cycle. The following sustainability criteria were defined for the selection of the sustainability key indicators:

- Relevance and influence of the sustainability key indicators on the three overarching sustainability goals of the sustainability strategy;
- Internal and external influence of the sustainability key indicators by management;
- Good measurability and operationalization; and
- Sustained impact to support long-term solutions and not incentivize short-term actions.

In addition, the Personnel Committee determines the weighting of the individual sustainability goal for each tranche of the LTIP to emphasize priorities.

The Personnel Committee has defined the following sustainability key indicators and weightings for the 2024 tranche of the LTIP:

Sustainability Goal	Weighting	Sustainability Key Indicator
Dedicated to human progress	30%	People treated with our Healthcare products (including schistosomiasis control program) and pharma products enabled by our Life Science business sector
Partnering for sustainable business impact	30%	Percentage of relevant suppliers (in terms of supplier spend) that are covered by a valid sustainability assessment
Reducing our ecological footprint	40%	Greenhouse gas emissions Scope 1+2

The following table shows the target corridors for the respective sustainability key indicators of the three overarching goals for the 2024 LTIP tranche ax ante.

Sustainability Goal/Key Indicator	Minimum	Target	Maximum
Dedicated to human progress			
Number of people treated with Merck Healthcare products (in million)			
Number of people treated as part of the schistosomiasis control program (in million)	557	625	685
Number of people treated with pharmaceutical products of Merck Life Science (in million)			
Partnering for sustainable business impact			
Relevant suppliers with a valid sustainability assessment (% of supplier spend)	84%	94%	100%
Reducing our ecological footprint			
Greenhouse gas emissions in Scope 1+2 worldwide in kilotons (kt)	900	825	750

The key indicators selected within the three overarching sustainability goals can be described as follows:

- “Dedicated to human progress”

We are convinced that with the help of science and technology, we can contribute to solving many global challenges. In this context, our Healthcare business sector measures how many people worldwide will be treated with our company's medical products. On the one hand, we look at the number of people treated with products from the Healthcare business sector, and on the other hand, we consider patients who are offered treatment with our praziquantel tablets as part of the schistosomiasis control program.

We also include the number of people who are treated with pharmaceuticals and medical products for the production of which technologies and products from our Life Science business sector have made an important contribution. We plan to continuously increase this sustainability goal and thus contribute to a significant improvement in medical care and the state of health of as many people as possible.

- “Partnering for sustainable business impact”

We measure our progress in embedding sustainability in our supply chains. We achieve this by increasing the transparency of our supply chains and subjecting more suppliers to a sustainability assessment. We are focusing particularly on suppliers for which we see sustainability risks in the supply chain and those suppliers who cover a relevant share of our supplier spend. Compared with the previous year, we have expanded the group of relevant suppliers with a significant share of supplier spend, which means that the new target values relate to an increased supplier base. In this context, it is important for us to increase the proportion of suppliers with a valid sustainability rating in relation to supplier spend.

- “Reducing our ecological footprint”

On our path to climate neutrality, we have already joined the Science Based Targets Initiative and aim to reduce both direct (Scope 1) and indirect emissions (Scope 2) by 50% by 2030 compared with fiscal 2020. This target is to be achieved through the reduction of process-related emissions, energy efficiency measures, and increased purchase of electricity from renewable sources. Particularly in the case of process emissions (Scope 1), we aim to significantly reduce emissions by using new technologies.

The selected key indicators were confirmed as material in the CSRD materiality analysis and serve to achieve the goals of the sustainability strategy.

Target Achievement LTIP

The LTIP tranche 2021 that was allocated in fiscal 2021 was structured without the sustainability factor introduced in fiscal 2022. The four-year performance period consisted of the target achievement cycle of three years (January 1, 2021 to December 31, 2023) and the subsequent one-year holding period (until December 31, 2024). At the end of the entire performance cycle of the LTIP 2021, the target achievement and the payout amounts were calculated based on the final share price. The relevant final share price is based on the average share price within 60 trading days prior to the end of the performance period. The LTIP tranche 2021 will be paid out in April 2025.

The targets and thresholds, the actual amounts, and the resulting target achievement for the LTIP tranche 2021 are as follows:

LTIP 2021 target achievement

	Lower target corridor limit	Target	Upper target corridor limit	Actual achieved value	Target achievement
Share price performance relative to the DAX® (weighting: 50%)	-20.0%	0.0%	50.0%	-8.6%	57.0%
EBITDA pre margin (weighting: 25%)	24.9%	27.9%	30.9%	29.9%	133.4%
Organic sales growth (weighting: 25%)	5.7%	8.7%	11.7%	6.2%	16.8%
Total target achievement					66.1%

The resulting final number of MSUs and the payout amounts of the LTIP tranche 2021 are shown in the following table.

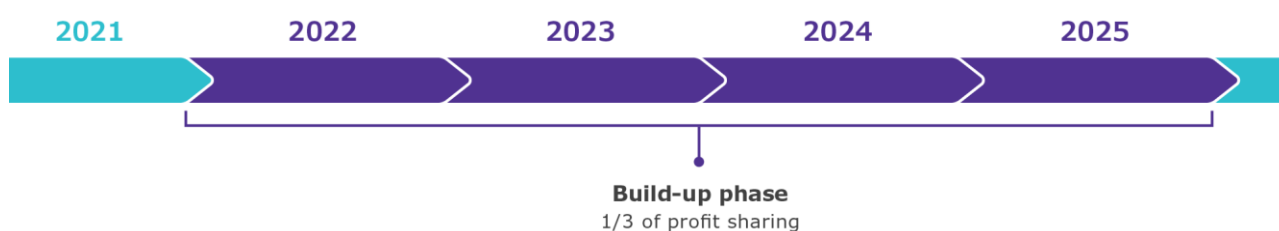
LTIP 2021 summary

	Grant amount (€ thousand)	Reference Merck share price at the beginning (in €)	Number of provisionally granted MSUs	Total target achievement	Final number of MSUs	Reference Merck share price at the end (in €)	Payout amount (€ thousand) ¹
Belén Garijo	2,190		16,538		10,932		1,619
Kai Beckmann	1,715		12,951		8,554		1,268
Peter Guenter	1,900		14,348		9,484		1,404
Matthias Heinzl (since April 1, 2021)	1,425	132.43	10,761	66.1%	7,108	148,18	1,053
Marcus Kuhnert (until June 30, 2023)	1,400		10,572		6,988		1,035
Stefan Oschmann (until April 30, 2021)	752		5,676		3,752		556

¹ Payout capped at 250% of the grant value. A pro-rata payout has been made for Stefan Oschmann.

Share Ownership Guideline

At the beginning of fiscal 2021, the obligation to acquire and to hold shares of Merck KGaA, Darmstadt, Germany, was linked to the profit sharing in accordance with the Share Ownership Guideline (SOG). Accordingly, the members of the Executive Board are for the first time obliged to invest one-third of the payout of the profit sharing in shares and to hold them for at least four years (investment obligation with effect as of fiscal 2022). The shareholding obligation is thus gradually built up over four years beginning with fiscal 2022. The build-up phase will be completed for the first time at the end of fiscal 2025. The aim is for the Chair to acquire 200% of base salary and for the members of the Executive Board to acquire 100% of the base salary in shares of Merck KGaA and to hold them. The corresponding investments are made as part of an automated purchase via an external provider. All members of the Executive Board fulfilled the corresponding obligation to make their own investments in fiscal 2024 as well as in the previous year.



The Share Ownership Guideline promotes an even stronger alignment of the interests of the members of the Executive Board with the sustainable interests of our shareholders and additionally increases the corporate responsibility of the members of the Executive Board in addition to their status as general partners.

Malus and clawback provisions

Through their status as personally liable general partners of Merck KGaA, Darmstadt, Germany, and E. Merck KG, Darmstadt, Germany, the Executive Board members bear a unique entrepreneurial responsibility. This is also reflected by the malus criteria set forth in the adjustment factor of the profit sharing and by the German statutory regulations on liability for damages stipulated in section 93 of the German Stock Corporation Act (AktG). In order to take even greater account of the prominent position of entrepreneurial responsibility in compensation, a clawback provision is implemented for the LTIP. Cases in which the clawback provision may be applied include violations of internal rules and regulations (Code of Conduct), legislation, other binding external requirements in responsibility, significant breaches of duty of care within the meaning of section 93 AktG, and other grossly non-compliant or unethical behavior or actions that are contradictory to our company values. In these cases, amounts that have already been allocated under the LTIP may be retained. The Personnel Committee is entitled to demand the repayment of profit sharing and LTIP payouts from a member of the Executive Board if it subsequently transpires that the payout was made wrongfully, either in full or in part. For example, this is the case when targets are not actually met or are not met to the extent assumed when the payout was calculated due to incorrect information being applied. The extent of these claims for restitution is based on section 818 of the German Civil Code (BGB). The Personnel Committee may agree deadlines for the assertion of claims for restitution with the members of the Executive Board.

Neither the malus provision nor the clawback provision was exercised in fiscal 2024.

Compensation-related transactions

Contracts with the members of the Executive Board are usually entered into for a period of five years. If a contract begins during the year, the fixed compensation, profit sharing and individual LTIP tranches are paid on a pro rata basis.

Should members of the Executive Board be held liable for financial losses while executing their duties, this liability risk is covered by a Directors-and-Officers insurance policy under certain circumstances. This insurance policy has a deductible in accordance with the legal requirements.

Obligations in connection with the termination of Executive Board membership

The contracts of the Executive Board members do not provide for ordinary termination. The right to extraordinary termination for good cause in accordance with section 626 BGB is available to both parties without observing a notice period.

The contracts of the Executive Board members provide for the continued payment of fixed compensation to surviving dependents for a limited period in the event of death. Above and beyond existing pension obligations, no further obligations are provided for in the event of the termination of the contractual relationships of the Executive Board members.

The amounts payable to Executive Board members are capped in the event of the early termination of the contract without good cause justifying such termination. Pursuant to this, payments in connection with the termination of an Executive Board member's duties shall not exceed twice the annual total compensation or constitute compensation for more than the remaining term of the employment contract (severance cap). If an Executive Board member's membership terminates due to the termination of the contract either by the company or the Executive Board member before the four-year performance cycle of an open LTIP tranche expires, the obligations resulting from the LTIP shall continue if there are specific reasons for the termination, such as the contract is not renewed after it expires or if the Board of Partners determines this to be appropriate at its own discretion; otherwise, the obligations shall expire.

Should obligations resulting from the LTIP continue to apply, any early severance payout is excluded. Likewise, no early payout or severance for the profit-sharing payment is granted. If the compensation in the fiscal year in which the Executive Board member's duties cease is expected to be significantly higher or lower than in the previous fiscal year, the Board of Partners may decide to adjust the amount applied as the member's total compensation at its own discretion.

In fiscal 2023, a termination agreement was reached with Marcus Kuhnert on his early termination from the Executive Board with effect from June 30, 2023. As agreed, Marcus Kuhnert received his fixed compensation, corresponding fringe benefits and pro rata variable compensation until July 31, 2024.

In fiscal 2024, no adjustments or changes were made to the service contracts of the Executive Board Members.

Post-contractual non-competition

Post-contractual non-compete clauses have been agreed with the members of the Executive Board. In general, the post-contractual non-compete clause is associated with a compensation of 50% of the average compensation within the last twelve months and is granted for two years. Other earnings, pension payments and any severance payments are to be offset against this amount.

Owing to his early termination on June 30, 2023, a post-contractual non-compete clause with effect from July 31, 2024, has been agreed with Marcus Kuhnert. The continued payment of the base salary of € 100,000 per month as well as the variable compensation until July 31, 2024, i.e. for the regular remaining term of his contract, was provided for as compensation for waiting periods. For fiscal 2024, Marcus Kuhnert will receive a pro rata profit sharing for the period from January 1, 2024, to July 31, 2024, in the amount of € 1,793,817 to be paid out in April 2025. No further compensation was granted.

Loans, advances, payments by affiliates of Merck Group

Neither loans nor advances were paid to members of the Executive Board during fiscal 2024, nor any payments by affiliated companies.

Individual Disclosure of the Compensation of the Executive Board

Compensation awarded or due to current members of the Executive Board in fiscal 2024

In accordance with section 162 (1) of the German Stock Corporation Act (AktG), the compensation awarded or due to each member of the Executive Board in fiscal 2024 and the respective relative share of total compensation are presented transparently in the tables below. This includes all compensation elements that were paid out or became legally due in fiscal 2024. Due to the introduction of the one-year holding period from the LTIP tranche 2021, there will be a payout gap for the LTIP in fiscal 2024.

To ensure a transparent presentation of the relation between business performance and the resulting compensation, variable compensation for fiscal 2024 is also disclosed on a voluntary basis, with the variable compensation components being allocated to the fiscal year in which the final performance was rendered, irrespective of the actual date of payment or the legal due date.

To provide a complete picture of the total compensation of the Executive Board members, pension expense is also reported on a voluntary basis.

The compensation of the current members of the Executive Board is shown in the following tables.

In fiscal 2024 pursuant to section 162 AktG	For fiscal 2024 as voluntary disclosure
Base salary	
Additional benefits	
Profit sharing for fiscal 2023, payout in fiscal 2024:	Profit sharing for fiscal 2024, payout in fiscal 2025:
<ul style="list-style-type: none"> • Payout in cash • Investment (in shares; 4-year holding period according to Share Ownership Guideline) 	<ul style="list-style-type: none"> • Payout in cash • Investment (in shares; 4-year holding period according to Share Ownership Guideline)
-	LTIP tranche 2021 (Jan 1, 2021-Dec 31, 2024), payout in fiscal 2025
Other compensation	
Service cost as voluntary disclosure	

The figures presented in the tables have been rounded in accordance with standard commercial practice. As a result, the individual values may not add up to the totals presented.

Compensation awarded or due

	Belén Garijo Chair of the Executive Board (since May 1, 2021; previously member of the Executive Board)				
	In the fiscal year (pursuant to section 162 AktG)			For the fiscal year (voluntary disclosure)	
	2024		2023	2024	2023
	€ thousand	in %	€ thousand	€ thousand	€ thousand
Base salary	1,500	24.4%	1,500	1,500	1,500
Additional benefits	58	0.9%	89	58	89
Profit sharing					
Profit sharing 2022					
Payout in cash	–	–	2,927	–	–
Investment obligation (in shares; 4-year holding period)	–	–	1,463	–	–
Profit sharing 2023					
Payout in cash	3,058	49.8%	–	–	3,058
Investment obligation (in shares; 4-year holding period)	1,529	24.9%	–	–	1,529
Profit sharing 2024					
Payout in cash	–	–	–	3,010	–
Investment obligation (in shares; 4-year holding period)	–	–	–	1,505	–
LTIP					
LTIP 2020 (2020 to 2022)	–	–	3,910	–	–
LTIP 2021 (2021 to 2024)	–	–	–	1,619	–
Compensation awarded or due pursuant to section 162 AktG	6,145	100.0%	9,889	–	–
Compensation for the fiscal year	–	–	–	7,692	6,176
Service cost	640	–	638	640	638
Total compensation incl. service cost	6,785	–	10,527	8,332	6,814

Kai Beckmann
Member of the Executive Board

	In the fiscal year (pursuant to section 162 AktG)		For the fiscal year (voluntary disclosure)		
	2024		2023		
	€ thousand	in %	€ thousand	€ thousand	€ thousand
Base salary	1,200	26%	1,200	1,200	1,200
Additional benefits	20	0.4%	22	20	22
Profit sharing					
Profit sharing 2022					
Payout in cash	–	–	2,128	–	–
Investment obligation (in shares; 4-year holding period)	–	–	1,064	–	–
Profit sharing 2023					
Payout in cash	2,222	48.8%	–	–	2,222
Investment obligation (in shares; 4-year holding period)	1,111	24.4%	–	–	1,111
Profit sharing 2024					
Payout in cash	–	–	–	2,188	–
Investment obligation (in shares; 4-year holding period)	–	–	–	1,094	–
Merck LTIP					
LTIP 2020 (2020 to 2022)	–	–	3,406	–	–
LTIP 2021 (2021 to 2024)	–	–	–	1,268	–
Compensation awarded or due pursuant to section 162 AktG	4,553	100.0%	7,820	–	–
Compensation for the fiscal year	–	–	–	5,770	4,555
Service cost	435	–	435	435	435
Total compensation	4,988	–	8,255	6,205	4,990

Peter Guenter
Member of the Executive Board
(since January 1, 2021)

	In the fiscal year (pursuant to section 162 AktG)		For the fiscal year (voluntary disclosure)		
	2024		2023		
	€ thousand	in %	€ thousand	€ thousand	€ thousand
Base salary	1,200	22.5%	1,200	1,200	1,200
Additional benefits ¹	413	7.8%	392	413	392
Profit sharing					
Profit sharing 2022					
Payout in cash	–	–	2,368	–	–
Investment obligation (in shares; 4-year holding period)	–	–	1,184	–	–
Profit sharing 2023					
Payout in cash	2,475	46.5%	–	–	2,475
Investment obligation (in shares; 4-year holding period)	1,237	23.2%	–	–	1,237
Profit sharing 2024					
Payout in cash	–	–	–	2,436	–
Investment obligation (in shares; 4-year holding period)	–	–	–	1,218	–
Merck LTIP					
LTIP 2020 (2020 to 2022)	–	–	–	–	–
LTIP 2021 (2021 to 2024)	–	–	–	1,404	–
Compensation awarded or due pursuant to section 162 AktG	5,325	100.0%	5,144	–	–
Compensation for the fiscal year	–	–	–	6,671	5,304
Service cost	436	–	435	436	435
Total compensation	5,761	–	5,579	7,107	5,739

¹ Includes payment of € 375 thousand to compensate for loss of variable compensation entitlement from former employment relationship.

Matthias Heinzel
Member of the Executive Board
(since April 1, 2021)

	In the fiscal year (pursuant to section 162 AktG)		For the fiscal year (voluntary disclosure)	
	2024	2023	2024	2023
	€ thousand	in %	€ thousand	€ thousand
Base salary	1,200	24.4%	1,200	1,200
Additional benefits	12	0.2%	12	16
Profit sharing				
Profit sharing 2022				
Payout in cash	–	–	–	–
Investment obligation (in shares; 4-year holding period)	–	–	–	–
Profit sharing 2023				
Payout in cash	2,475	50.3%	–	2,475
Investment obligation (in shares; 4-year holding period)	1,237	25.1%	–	1,237
Profit sharing 2024				
Payout in cash	–	–	2,436	–
Investment obligation (in shares; 4-year holding period)	–	–	1,218	–
Merck LTIP				
LTIP 2020 (2020 to 2022)	–	–	–	–
LTIP 2021 (2021 to 2024)	–	–	1,053	–
Compensation awarded or due pursuant to section 162 AktG	4,924	100.0%	4,768	–
Compensation for the fiscal year	–	–	5,919	4,928
Service cost	447	–	447	454
Total compensation	5,371	–	6,366	5,382

Helene von Roeder
Member of the Executive Board
(since July 1, 2023)

	In the fiscal year (pursuant to section 162 AktG)		For the fiscal year (voluntary disclosure)	
	2024	2023	2024	2023
	€ thousand	in %	€ thousand	€ thousand
Base salary	1,200	39.4%	1,200	600
Additional benefits ¹	276	9.1%	213	962
Profit sharing				
Profit sharing 2022				
Payout in cash	–	–	–	–
Investment obligation (in shares; 4-year holding period)	–	–	–	–
Profit sharing 2023				
Payout in cash	1,044	34.3%	–	1,044
Investment obligation (in shares; 4-year holding period)	522	17.2%	–	522
Profit sharing 2024				
Payout in cash	–	–	2,055	–
Investment obligation (in shares; 4-year holding period)	–	–	1,027	–
Merck LTIP				
LTIP 2020 (2020 to 2022)	–	–	–	–
LTIP 2021 (2021 to 2024)	–	–	–	–
Compensation awarded or due pursuant to section 162 AktG	3,043	100.0%	609	–
Compensation for the fiscal year	–	–	4,495	4,081
Service cost	479	–	479	268
Total compensation	3,522	–	4,974	4,349

¹ In addition, compensation payments and corresponding provisions are included in the additional benefits. In 2024, a payment of € 257 thousand was made to compensate for the loss of short-term variable compensation from previous employment for fiscal 2023. In 2023, provisions of € 696 thousand were created to compensate for the loss of long-term variable compensation entitlements from previous employment. For fiscal 2024, this provision was increased by € 194 thousand.

Compensation awarded or due to former members of the Executive Board in the fiscal year

The compensation awarded or due to former members of the Executive Board during the fiscal year is also presented below. Tranches of the LTIP already allocated before a member of the Executive Board left the company continue to run until the end of the originally contractually agreed term and are settled and paid out after the end of the performance period. In addition, some members who have already left the Executive Board receive fixed payments from pension plans.

The following tables show the compensation awarded or due to former members of the Executive Board in fiscal 2024 in accordance with section 162 (1) AktG and the respective relative share of total compensation. Compensation awarded or due includes all amounts received by the former members of the Executive Board in the fiscal year (compensation awarded) or all amounts legally due but not yet received (compensation due). For former members of the Executive Board who left the Executive Board in the last ten years, the information is indicated by name. In accordance with the provisions of section 162 (5) AktG, no personal information is provided on former members of the Executive Board who left the Executive Board more than ten years ago, i.e. before December 31, 2012.

Compensation awarded or due

Marcus Kuhnert Member of the Executive Board (until June 30, 2023)			
	2024		2023
	in Tsd. €	in %	in Tsd. €
Base salary	–	–	600
Additional benefits	–	–	26
Profit Sharing			
Profit Sharing 2022	–	–	–
Payout in cash	–	–	1,995
Investment (in shares)	–	–	998
Profit Sharing 2023	–	40.9%	–
Payout in cash	1,044	–	–
Investment (in shares)	522	–	–
LTIP			
LTIP 2020 (2020 to 2022)	–	76.7%	2,939
Others (waiting allowance)	2,266	33.5%	600
Compensation awarded or due pursuant to section 162 AktG	3,832	100.0%	7,158

Former members of the Executive Board who only received pension payments in fiscal 2024 are shown in the following table. The compensation awarded or due in fiscal 2024 in accordance with section 162 (1) AktG consists entirely of non-performance-related compensation elements.

Pension payments

€ thousand	2024	2023
Karl-Ludwig Kley	768	756
Bernd Reckmann	521	443
Stefan Oschmann	642	619

Payments to former members of the Executive Board and their surviving dependents

Payments to former members of the Executive Board and their surviving dependents are made in the form of pension payments, as a temporary continuation of the basic salary in the event of death, as part of the profit-sharing and the LTIP, as well as compensation for a post-contractual non-compete clause. In fiscal 2024, they amounted to € 18.3 million (previous year: € 14.4 million). Provisions for defined benefit pension commitments in accordance with IAS 19 amounted to € 121.5 million as of December 31, 2024 (December 31, 2023: € 123.8 million).

Compliance with the defined maximum compensation

The maximum compensation limits the compensation awarded or due in the fiscal year, i.e. the total of all non-performance-related and performance-related compensation elements awarded or due in a fiscal year. Pension payments are not included in the maximum compensation.

The maximum compensation for the fiscal year is € 11,500,000 for the Chair of the Executive Board and € 9,500,000 each for ordinary members of the Executive Board. The sum of the compensation awarded or due in accordance with section 162 AktG less any pension payments and plus pension expenses is below the defined maximum compensation in accordance with section 87a AktG for all members of the Executive Board.

In addition to the maximum compensation, there is a separate contractually agreed payment cap for each of the performance-related compensation elements. A maximum amount has been set for the amount of Profit Sharing for all members of the Executive Board (please find more details in the paragraph “[Profit Sharing](#)”). The payout from the LTIP cannot exceed 2.5 times the individual award value, even in cases of exceptional performance.

In addition, there is a contractually agreed maximum limit on the direct compensation, i.e. the sum of base salary, profit-sharing, and LTIP. In this context, it is stipulated that capping compensation, if necessary, shall be applied first to the LTIP and then to the Profit Sharing.

Compliance with the defined maximum compensation is ensured by the Personnel Committee setting the amounts of the variable compensation components by resolution. The defined maximum compensation and the maximum limit for the direct compensation of the members of the Executive Board are shown in the following table.

Overall compensation limit

€ thousand	Maximum limit for Direct Compensation	Maximum compensation pursuant to section 87a AktG
Belén Garijo	9,800	11,500
Kai Beckmann	8,000	9,500
Peter Guenter	8,000	9,500
Matthias Heinzel	8,000	9,500
Helene von Roeder	8,000	9,500

Compensation for the Supervisory Board members in fiscal 2024

At the Annual General Meeting 2024, the new compensation system for the members of the Supervisory Board was approved with a voting result of 99.06%. The new compensation system has been in force since May 1, 2024. The previous compensation system applied until April 30, 2024.

Essentially, the following amendments have been introduced:

	Compensation until April 30, 2024	Compensation since May 1, 2024
Fixed compensation	<ul style="list-style-type: none"> € 94.000 (Chair) € 70.500 (Deputy) € 47.000 (Member) 	<ul style="list-style-type: none"> € 187.500 (Chair) € 112.500 (Deputy) € 75.000 (Member)
Audit Committee	<ul style="list-style-type: none"> € 30.000 (Chair) € 15.000 (Member) 	<ul style="list-style-type: none"> € 100.000 (Chair) € 50.000 (Member)
Attendance fee	<ul style="list-style-type: none"> € 750 	<ul style="list-style-type: none"> € 1.000

With these adjustments, the company aims to raise the compensation of the Supervisory Board to a competitive level in line with market standards. The fixed compensation of the Supervisory Board members was increased from € 47,000 to € 75,000 and the attendance fee from € 750 to € 1,000. In addition, the differentiation factor between the Chair and the ordinary members of the Supervisory Board was increased from 2 to 1 to 2.5 to 1. In addition, the compensation for the Audit Committee was increased from € 15,000 to € 50,000. The Chair of the Audit Committee also receives an additional annual compensation of € 100,000. Membership of the Nomination Committee will continue to be not additionally compensated. In addition, the members of the Supervisory Board receive an attendance fee of € 1,000 for each meeting of the Supervisory Board in which they participate. If several meetings take place on one day, the attendance fee is only paid once. Participation in a meeting using electronic media is also considered to be participation. The members of the Supervisory Board are covered by the Directors-and-Officers insurance. Expenses are reimbursed to the respective members of the Supervisory Board.

Compensation awarded or due to the members of the Supervisory Board in fiscal 2024

The following table illustrates the compensation awarded or due and the respective relative share of the total compensation for the current members of the Supervisory Board. The compensation components are allocated to the fiscal year in which the service was rendered, regardless of the actual time of payment or its legal due date. For the members of the Supervisory Board who joined or left the Supervisory Board in the financial year, the amounts are disclosed on a pro rata basis.

There were no payments to former members of the Supervisory Board in the fiscal year.

Compensation awarded or due

	2024							2023						
	Fixed compensation		Compensation for committee duties		Meeting fees		Total compensation	Fixed compensation		Compensation for committee duties		Meeting fees		Total compensation
	€ thousand	in %	€ thousand	in %	€ thousand	in %	€ thousand	€ thousand	in %	€ thousand	in %	€ thousand	in %	€ thousand
Michael Kleinemeier (Chair since February 13, 2024)	150.6	79%	33.5	18%	7.3	4%	191.3	47.0	93%	–	–	3.8	7%	50.8
Wolfgang Büchele (Chair until February 12, 2024)	11.0	82%	1.8	13%	0.8	6%	13.6	94.0	83%	15.0	13%	3.8	3%	112.8
Sascha Held (Vice Chair)	98.3	68%	38.3	27%	7.3	5%	143.8	70.5	79%	15.0	17%	3.8	4%	89.3
Birgit Biermann	65.5	90%	–	–	7.3	10%	72.8	47.0	93%	–	–	3.8	7%	50.8
Gabriele Eismann (until April 26, 2024)	15.0	91%	–	–	1.5	9%	16.5	47.0	93%	–	–	3.8	7%	50.8
Katja Garcia Vila (since April 26, 2024)	50.6	56%	33.5	37%	5.8	6%	89.9	–	–	–	–	–	–	–
Jürgen Glaser (until April 26, 2024)	15.0	71%	4.8	23%	1.5	7%	21.3	47.0	72%	15.0	23%	3.8	6%	65.8
Renate Koehler (until April 26, 2024)	15.0	91%	–	–	1.5	9%	16.5	47.0	93%	–	–	3.8	7%	50.8
Carla Kriwet (since April 26, 2024)	50.6	90%	–	–	5.8	10%	56.4	–	–	–	–	–	–	–
Barbara Lambert	65.5	44%	76.6	52%	6.3	4%	148.4	18.4	60%	11.3	37%	0.8	3%	30.5
Anne Lange	65.5	90%	–	–	7.3	10%	72.8	47.0	93%	–	–	3.8	7%	50.8
Peter Emanuel Merck (until April 26, 2024)	15.0	91%	–	–	1.5	9%	16.5	47.0	93%	–	–	3.8	7%	50.8
Dietmar Oeter	65.5	90%	–	–	7.3	10%	72.8	47.0	93%	–	–	3.8	7%	50.8
Stefan Palzer (since April 26, 2024)	50.6	90%	–	–	5.8	10%	56.4	–	–	–	–	–	–	–
Alexander Putz	65.5	93%	–	–	5.3	7%	70.8	47.0	93%	–	–	3.8	7%	50.8
Christian Raabe	65.5	59%	38.3	35%	7.3	7%	111.1	47.0	72%	15.0	23%	3.8	6%	65.8
Michael Reinhart (since April 26, 2024)	50.6	57%	33.5	38%	4.8	5%	88.9	–	–	–	–	–	–	–
Helga Rübsamen-Schaeff (until April 26, 2024)	15.0	95%	–	–	0.8	5%	15.8	47.0	93%	–	–	3.8	7%	50.8
Susanne Schaffert (since April 26, 2024)	50.6	90%	–	–	5.8	10%	56.4	–	–	–	–	–	–	–
Sandra Schwebke (since April 26, 2024)	50.6	91%	–	–	4.8	9%	55.4	–	–	–	–	–	–	–
Daniel Thelen	65.5	86%	4.8	6%	6.3	8%	76.6	47.0	72%	15.0	23%	3.8	6%	65.8
Simon Thelen	65.5	90%	–	–	7.3	10%	72.8	47.0	93%	–	–	3.8	7%	50.8
Total	1,163.1		265.1		108.5		1,536.7	807.7		95.1		57.8		960.6

Comparative presentation of compensation and earnings development

The comparative presentation in accordance with section 162 (1) no. 2 AktG shows the annual change in the compensation of current and former members of the Executive Board as well as members of the Supervisory Board, the development of earnings of the Merck Group and the development of the average compensation of a full-time employee of Merck KGaA over the last five years.

For employee compensation, the average personnel expenses excluding company pension costs are used. This reflects the total compensation of employees worldwide.

For members of the Executive Board, the compensation awarded or due in the fiscal years 2021, 2022, 2023 and 2024 is used in accordance with section 162 AktG. For fiscal 2020, the allocated compensation is used excluding the service costs according to the German Corporate Governance Code (DCGK) sample table in the Compensation Report 2020.

Comparative presentation

in € thousand/change in %	2024	2023	Change 2024/2023	Change 2023/2022	Change 2022/2021	Change 2021/2020
Member of the Executive Board						
Belén Garijo (Chair since May 1, 2021)	6,145	9,889	-37.9%	–	22.2%	43.3%
Kai Beckmann (since April 1, 2011)	4,553	7,820	-41.8%	-0.9%	25.0%	37.9%
Peter Guenter (since January 1, 2021)	5,325	5,144	3.5%	8.0%	185.1%	–
Matthias Heinzel (since April 1, 2021)	4,924	4,768	3.3%	32.6%	288.9%	–
Helene von Roeder (since July 1, 2023)	3,043	609	399.6%	–	–	–
Former Member of the Executive Board						
Marcus Kuhnert (until June 30, 2023)	3,832	7,158	-46.5%	-5.6%	23.5%	43.2%
Stefan Oschmann (until April 30, 2021)	642	4,011	-84.0%	-60.6%	-11.8%	41.8%
Karl-Ludwig Kley (until August 31, 2016)	768	756	1.5%	8.8%	10.3%	–
Bernd Reckmann (until April 29, 2016)	521	443	17.5%	–	-3.5%	6.7%
Further former members	7,328	7,409	-1.1%	5.9%	-66.0%	85.0%
Member of the Supervisory Board						
Michael Kleinemeier (Chair since February 13, 2024)	191.3	50.8	277.0%	1.5%	–	–
Wolfgang Büchele (Chair until February 12, 2024)	13.6	112.8	-88.0%	0.7%	2.1%	13.1%
Sascha Held (Vice Chair)	143.8	89.3	61.2%	0.8%	2.7%	17.3%
Birgit Biermann (since July 14, 2022)	72.8	50.8	43.4%	116.0%	–	–
Gabriele Eismann (until April 26, 2024)	16.5	50.8	-67.4%	1.5%	–	–
Katja Garcia Vila (since April 26, 2024)	89.9	–	–	–	–	–
Jürgen Glaser (until April 26, 2024)	21.3	65.8	-67.6%	10.5%	20.7%	-1.4%
Renate Koehler (until April 26, 2024)	16.5	50.8	-67.4%	1.5%	–	–
Carla Kriwet (since April 26, 2024)	56.4	–	–	–	–	–
Barbara Lambert (since August 11, 2023)	148.4	30.5	387.2%	–	–	–
Anne Lange	72.8	50.8	43.4%	1.5%	–	–
Peter Emanuel Merck (until April 26, 2024)	16.5	50.8	-67.4%	1.5%	–	–
Dietmar Oeter	72.8	50.8	43.4%	1.5%	–	–
Stefan Palzer (since April 26, 2024)	56.4	–	–	–	–	–
Alexander Putz	70.8	50.8	39.5%	1.5%	–	70.1%
Christian Raabe	111.1	65.8	68.9%	1.2%	3.7%	25.4%
Michael Reinhart (since April 26, 2024)	111.1	–	–	–	–	–
Helga Rübsamen-Schaeff (until April 26, 2024)	15.8	50.8	-68.9%	1.5%	–	–
Susanne Schaffert (since April 26, 2024)	56.4	–	–	–	–	–
Sandra Schwebke (since April 26, 2024)	55.4	–	–	–	–	–
Daniel Thelen	76.6	65.8	16.5%	1.2%	3.7%	25.4%
Simon Thelen	72.8	50.8	43.4%	1.5%	–	–
Personnel expenses without pension expenses	6,320,000	6,152,000	2.7%	-0.5%	11.0%	3.9%
Average number of employees	62,329	63,642	-2.1%	1.7%	6.6%	2.0%
Average compensation of an employee	101.4	96.7	4.9%	-2.2%	4.2%	1.9%
Earnings development						
Profit after tax of the Merck KGaA (HGB)	284,333	284,881	-0.2%	17.70%	-16.20%	59.40%
Profit after tax of the E. Merck Group (IFRS)	2,659,863	2,759,954	-3.6%	-16.10%	9.50%	56.80%

Report of the Independent Auditor

To MERCK Kommanditgesellschaft auf Aktien, Darmstadt, Germany

We have audited the accompanying compensation report of MERCK Kommanditgesellschaft auf Aktien, Darmstadt, Germany, ("the Company") for the financial year from January 1 to December 31, 2024, including the related disclosures, which has been prepared to comply with section 162 German Stock Corporation Act (AktG).

Responsibilities of the Executive Directors and of the Supervisory Board

The executive directors and the supervisory board of MERCK Kommanditgesellschaft auf Aktien, Darmstadt/Germany, are responsible for the preparation of the compensation report, including the related disclosures, that complies with the requirements of section 162 AktG. The executive directors and the supervisory board are also responsible for such internal control as they consider necessary to enable the preparation of a compensation report, including the related disclosures, that is free from material misstatements, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

Auditor's Responsibilities

Our responsibility is to express an opinion on this compensation report, including the related disclosures, based on our audit. We conducted our audit in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). These Standards require that we fulfill the professional responsibilities and that we plan and perform the audit so that we obtain reasonable assurance as to whether the compensation report, including the related disclosures, is free from material misstatements.

An audit involves performing audit procedures in order to obtain audit evidence for the amounts stated in the compensation report, including the related disclosures. The choice of the audit procedures is subject to the auditor's professional judgment. This includes assessing the risk of material misstatements, whether due to fraud or error, in the compensation report, including the related disclosures. In assessing these risks, the auditor considers the system of internal control, which is relevant to preparing the compensation report, including the related disclosures. Our objective is to plan and perform audit procedures that are appropriate in the circumstances, but not to express an audit opinion on the effectiveness of the Company's system of internal control. An audit also comprises an evaluation of the accounting policies used, of the reasonableness of accounting estimates made by the executive directors and the supervisory board as well as an evaluation of the overall presentation of the compensation report, including the related disclosures.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, on the basis of the knowledge obtained in the audit, the compensation report for the financial year from January 1 to December 31, 2024, including the related disclosures, complies, in all material respects, with the accounting principles of section 162 AktG.

Other Matter – Formal Audit of the Compensation Report

The audit of the content of the compensation report described in this report comprises the formal audit required under section 162 (3) AktG including the issuance of a report on this audit. Since our audit opinion on the audit of the content is unmodified, this audit opinion includes that the disclosures required under section 162 (1) and (2) AktG are contained, in all material respects, in the compensation report.

Intended Use of the Report

We issue this report as stipulated in the engagement letter agreed with the Company. The audit has been performed for the purposes of the Company and the report is solely intended to inform the Company about the result of the audit.

Liability

This report is not intended to be used by third parties as a basis for any (asset) decision. We are liable solely to MERCK Kommanditgesellschaft auf Aktien, Darmstadt/Germany, and our liability is also governed by the engagement letter dated November 4/8, 2024, agreed with the Company as well as the “General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms)” promulgated by the Institut der Wirtschaftsprüfer (IDW) in the version dated January 1, 2024 (IDW-AAB). However, we do not accept or assume liability to third parties.

Frankfurt am Main, Germany, February 18, 2025

Deloitte GmbH

Wirtschaftsprüfungsgesellschaft

Signed:

Christoph Schenk
Wirtschaftsprüfer
(German Public Auditor)

Signed:

Daniel Weise
Wirtschaftsprüfer
(German Public Auditor)