

who

we

are





# WE ARE **MERCK**

Every day, our nearly 52,000 employees work in 66 countries to make a positive difference to millions of people's lives by creating more joyful and sustainable ways to live.

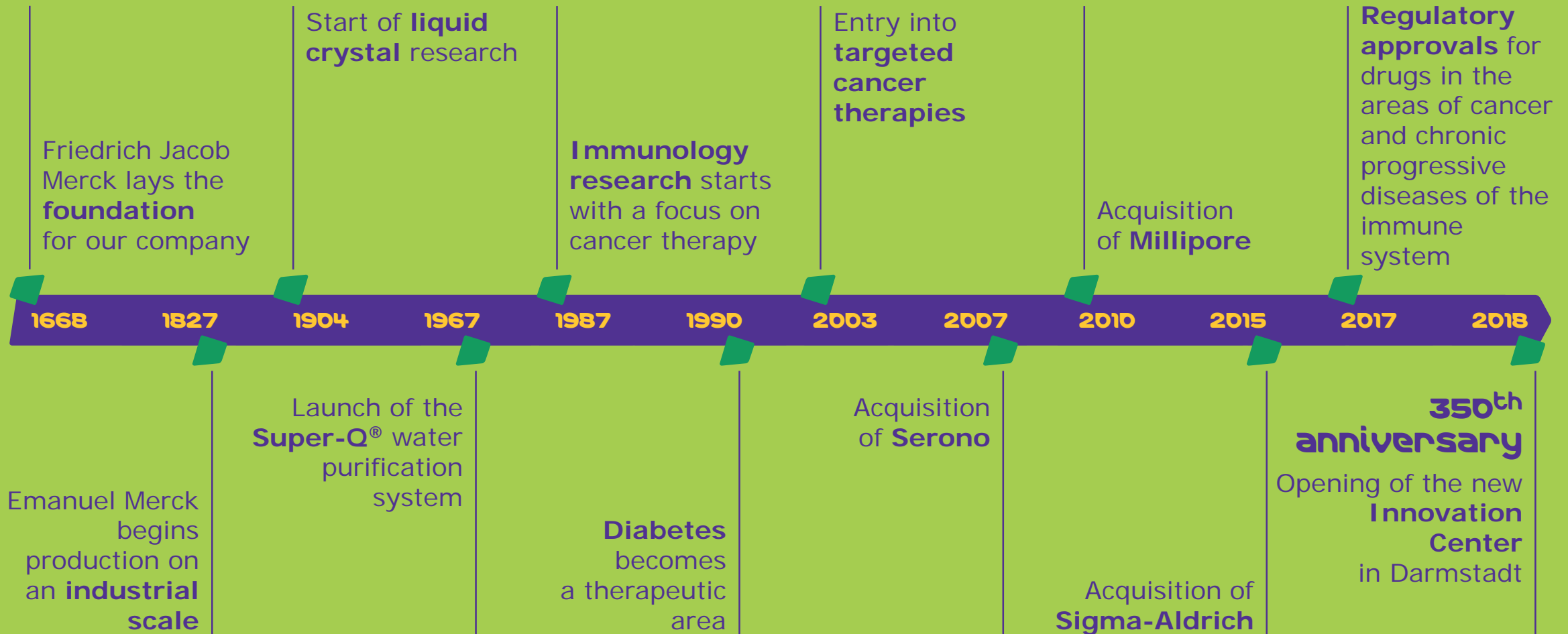
**EMD  
SERONO**

**MILLIPORE  
SIGMA**

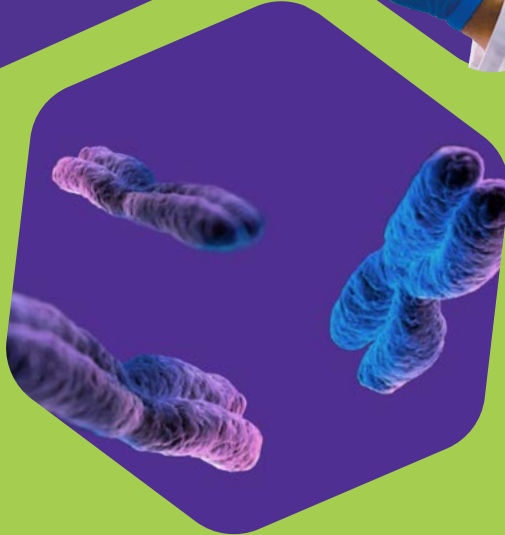
**EMD  
PERFORMANCE  
MATERIALS**

We are known as Merck internationally except for the United States and Canada, where we operate as EMD Serono in the biopharmaceutical business, MilliporeSigma in the life science business, and EMD Performance Materials in the high-tech materials business.

# 350 Years of Curiosity



We discover and develop solutions for life in all its vibrancy. We draw on our unique expertise in **Healthcare, Life Science and Performance Materials.**



# OUR ideas are everywhere

From cancer therapies and laboratory tools to the display of your smartphone or the effect pigment coating of your car.



# science

is at the

# heart

of everything we do

From advancing genome editing technologies and discovering unique ways to treat the most challenging diseases to enabling the intelligence of devices – Merck is everywhere.

**MERCK**

# HEALTH CARE

**16 BN**  
tablets are pressed  
annually  
in Darmstadt

## CHANGING LIVES

In addition to Boston, Tokyo and Beijing, Darmstadt is one of our four excellence centers for pharmaceutical research. Nearly 50% of our pharma researchers and clinical development experts work here. In addition, we maintain a strong network with local biotech companies and university partners.

# LIFE science

World-class partner

## Accelerating access to health solutions

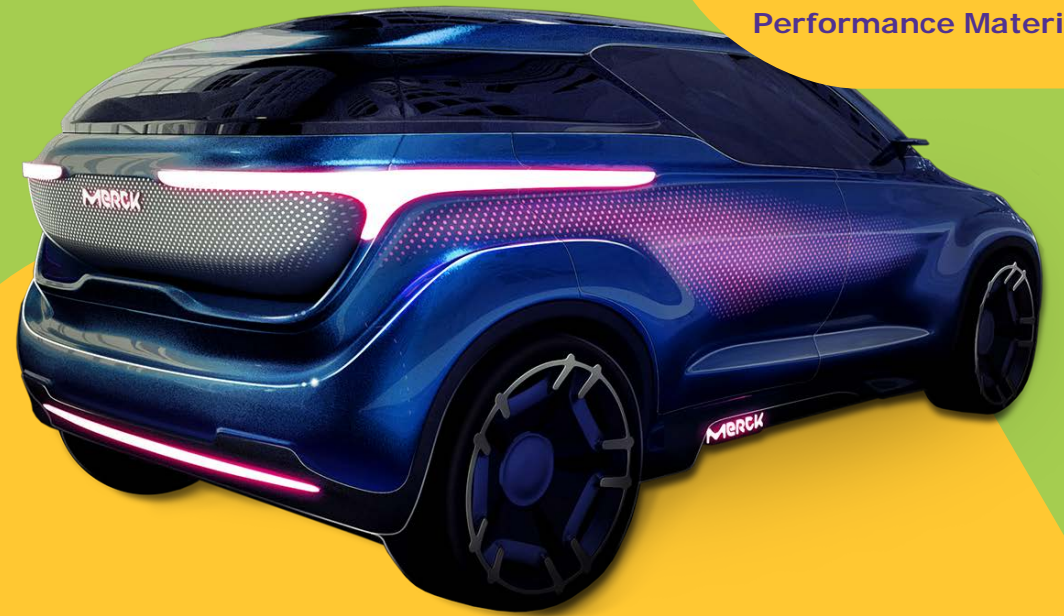
In Darmstadt, we manufacture high-quality products and solutions to research medicines and to manufacture them. The portfolio ranges from miniscule molecules to bulk containers weighing more than one metric ton.

**25,000**  
different products  
are manufactured in Darmstadt

**12 Million**  
Life Science items  
are shipped each year from  
Darmstadt to customers around the  
world

# Performance Materials

Performance Materials



**The world's most modern production unit** for the purification of OLED materials is in Darmstadt

**The production of LC singles** in Darmstadt is the world's largest of its kind

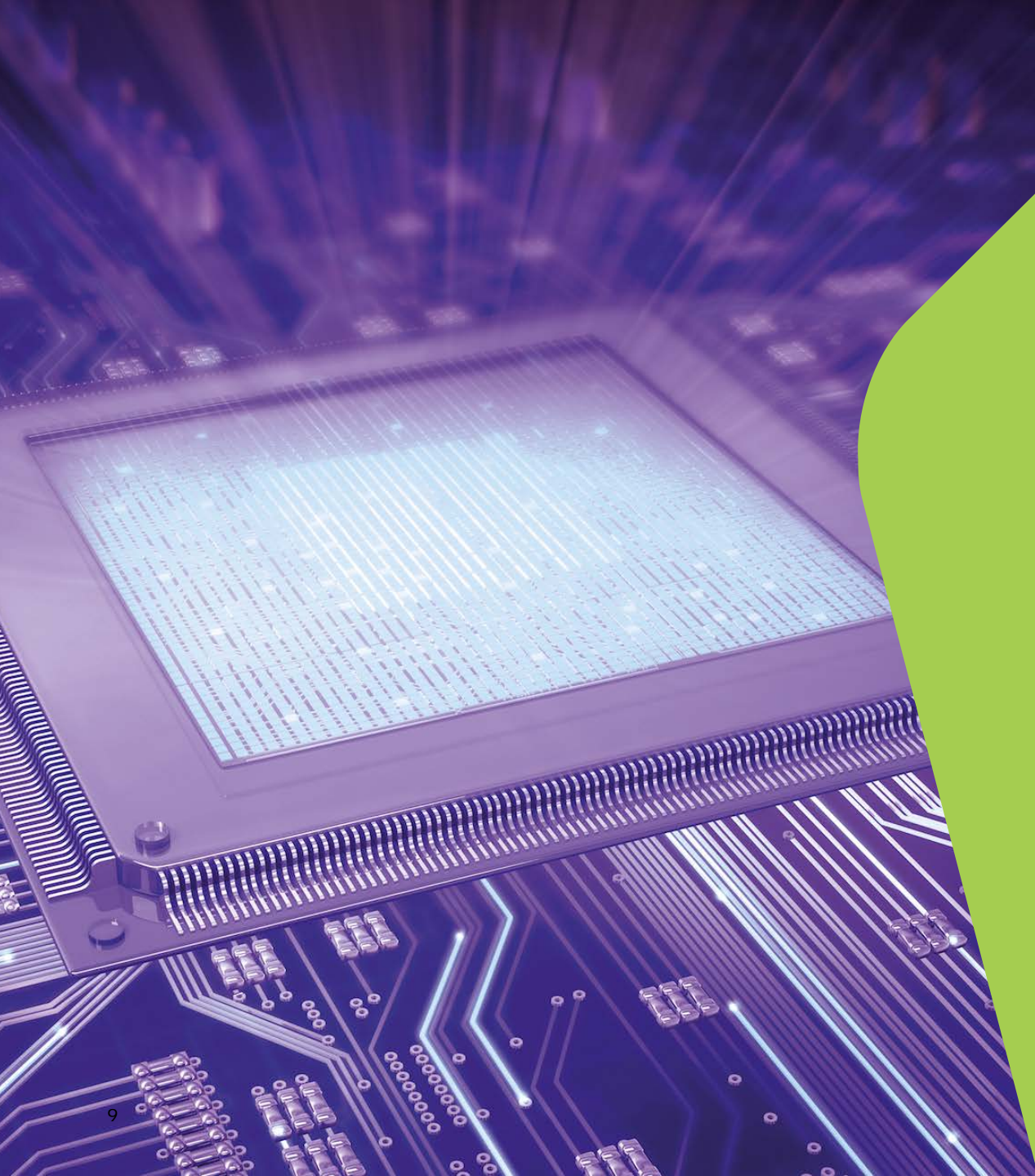
**51% of all R&D employees** from Performance Materials work in Darmstadt

**Our Performance Materials business offers specialty chemicals that enrich people's lives in many ways.**

The heart of our business with liquid crystals and OLED technologies beats in Darmstadt. This is also where our most modern production unit for OLED materials, an important future technology, is located. Chemical processes are developed and components manufactured in Darmstadt. We operate application labs in Japan, Korea and Taiwan, in close proximity to the major manufacturers.

**MERCK**





## our technologies enable smart devices.

In your smartphone for example, semiconductors such as fingerprint sensors, memory chips, processors, Wi-Fi modules or even the camera couldn't be produced without our materials and solutions.

While our OLED and liquid crystal technologies make the images displayed on your phone sharper, our semiconductor materials and solutions make it faster, more energy-efficient and smarter and our effect pigments create a more durable, scratch-resistant surface for the shell of your phone.



[merckgroup.com](http://merckgroup.com)

The background features a vibrant, abstract design. On the left side, there are large, overlapping shapes in shades of purple and pink. The rest of the background is a solid, bright green. The text 'MERCK EUROFORUM' is positioned in the upper right quadrant of the green area.

# MERCK EUROFORUM

# structure & organization

## Merck Euroforum

- The Merck Euroforum is an representation for all European Employees. The number of delegates per country depends on the number of employees.
- Currently the Euroforum is entitled to **38 delegates** in total.
- President and Vice-President are elected by the delegates every four years.
- Once a year a general meeting takes place. In the course of the meeting the delegates have the opportunity for an exchange with a Board member and/or Global Executive.
- Management body:
  - Chair: Iris Gürtler (Merck KGaA Germany)
  - Co-chair: Crocifissa Attardo (Merck KGaA Germany)

## Executive Committee (EC)

- The EC consists of the President, the Vice-President and of additional four members
- The EC is elected by the Delegates at the Annual Meeting for a period of four years.
- The EC acts as its directing committee and meets twice a year, joint meeting with the company is an inherent part of these meetings.
- Management body:
  - Iris Gürtler,
  - Crocifissa Attardo,
  - Giuseppe Papappicco (Italy)
  - Arnaud Becker (France)
  - Xavier Llop Cladera (Spain)
  - Götz Kruppa (Netherlands)

## Steering Committee (SC)

- The SC coordinates the cooperation beyond the annual meetings and the meetings of the Executive Committee. It is made up of Euroforum's President and Vice-President as well as two authorized HR representatives of the Company, who represent the interests of the company management.
- Meetings are set up regularly on a monthly basis, if necessary ad hoc meeting are called for.
- Management body:
  - Iris Gürtler
  - Crocifissa Attardo
  - Philip Heßen
  - Thomas Pein

# Annual Meeting

## Topics

Exchange between delegates & company representatives on strategic European Topics:

- presentation of strategic projects & Business Sector initiatives
- Workingconditions, Health & Safety
- Strategic Dialogue with Board-members

## Turnus:



Once per year

## Participants Employer:



Kai Beckmann, Executive Board  
P. Heßen, Head of HR Germany  
T. Pein, Head of Labor Relations  
Business Representatives

## Participants Employee Representatives:



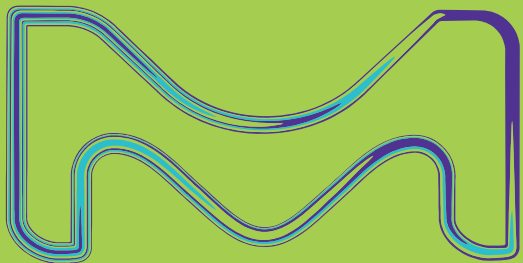
Up to 38 delegates from all EU Countries plus Norway & Switzerland

# Digital Transformation

## Workshop at the Annual Meeting of Merck Euroforum

Iris Gürtler, Merck Euroforum (President)

Thomas Pein, Head of Labor Relations, Merck KGaA



**MERCK**

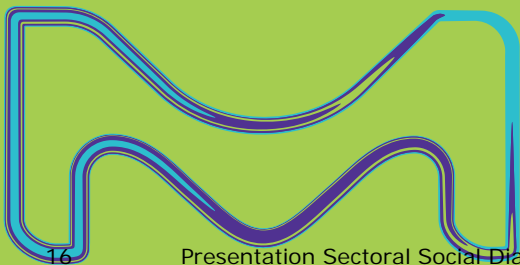
# Agenda

- 1 introduction into the topic
- 2 presentation of the methodology
- 3 presentation of results

01

# introduction

What are the central topics regarding digital transformation in Europe and at **MERCK**?





# Digitalisation survey at national and European level

Die European Chemical Employers Group (ECEG) carried out an EU-funded survey on “The impact of digital transformation on the chemical-pharmaceutical industry” in January 2018. Workers and salaried employees working at different levels filled in 500 online questionnaires

## We came to the following conclusions:

### Overall conclusions

- 

**1. The 1<sup>st</sup> wave of the digital transformation** (i.e. digitising analogue data and integrating cloud solutions) is successfully accomplished in the European chemical industry. However, the implementation rate increases with the company size: especially the implementation rate of digital solutions in micro and small enterprises (<50 employees) is lagging.
- 

**2. The 2<sup>nd</sup> wave of the digital transformation** will be driven by the Industrial Internet of Things, Big Data, Artificial Intelligence, automation and augmented reality – and it will come into effect shortly (within the next 5 years). The transformation around **AI** might cause more drastic implementation gaps between very large enterprises & SMEs.
- 

**3. A shift in skills in the European chemical industry is clearly visible** – basic digital skills are broadly existing in the sector. However, more advanced digital skills & transversal skills require attention by all stakeholders in the industry. Especially SMEs currently lack dedicated training programmes for digital upskilling and rate their digital skills less positive than larger firms.
- 

**4. The working environment** in the chemicals sector is predominantly changed through mobile working with greater employee autonomy but also an increased level of multi-tasking. Close attention needs to be paid to the level of psychological stress, which is expected to increase significantly due to digitalisation, especially in larger firms.
- 

**5. Collective agreements** need to pay greater attention to the issue of mobile working & working-time arrangements and qualification. Other sensitive issues linked to the digital transformation (data protection, performance monitoring) also need to be dealt with in collective agreements or other forms.
- 

**6. Change management** and the **involvement & support of employees** is currently the biggest challenge in the digital transformation process of the European chemicals sector. It is decisive to address this to allow for a successful transformation. The digital maturity assessment shows little variance across Member States or sectors overall, but more challenges are expected in Southern and Eastern Europe since the issue of employee participation seems to be addressed less in collective agreements on national, regional or sectoral level.

# our three questions



Which technical applications are being implemented or will presumably be implemented in the next few years?



What will be the potential impact of digital transformation on:  
1) health & safety, 2) qualification,  
3) organization of work and 4) skills?



What could be the impact on legal framework conditions, such as collective agreements and legislation?

# Methodology:

How have we achieved the results of "our joint path"?

02

# Workshop at the Annual Meeting of MERCK EUROFORUM

Merck Euroforum, representatives of the employer, of the German IGBCE trade union and of the BAVC chemical industry employers' association held a workshop to discuss this topic.

## Our **joint** path to reach our aims

# 1

Employers and Merck Euroforum representatives formulated together some clear questions and developed a methodology and schedule.

# 2

Setting up working groups (four groups) consisting of employers, employees, delegates from the countries and from the IGBCE trade union/BAVC employers' association.

# PROCESS description

# 5

Panel discussion

# 3

Developing questions and putting them down in writing.

# 4

The results of the individual groups were presented and the key findings were summarized on another notebboard.

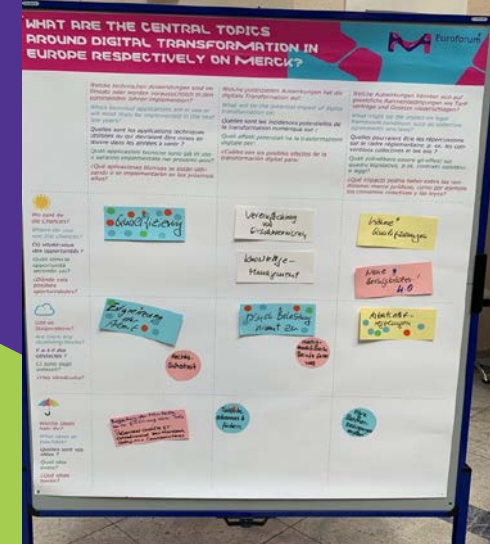
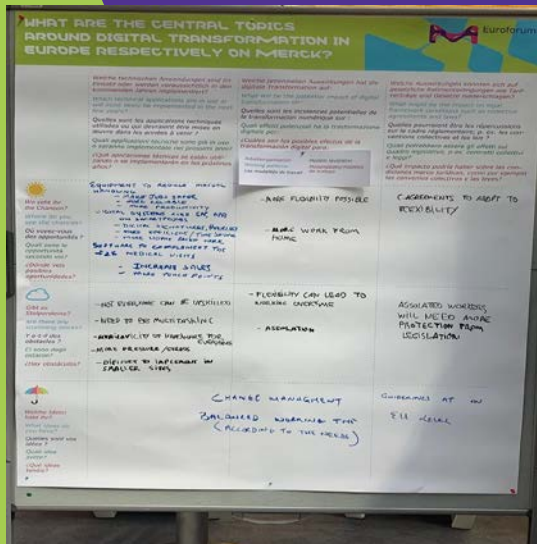
## Panel discussion



(From left to right) Xavier Llop Cladera, member of works council and of the Executive Committee from Spain; Dr. Andreas Ogrinz from BAVC (German Chemical Industry Employers' Association), Iris Gürtler, President of MERCK Euroforum; Michael Reinhart from IndustriegewerkschaftBergbau, Chemie, Energie (IG BCE) trade union and Philip Heßen, Head of Human Resources, MERCK Germany.

This lively discussion was moderated by Crocifissa Attardo, Vice-President of MERCK Euroforum

# Impressions



# Impressions





# presentation of results

03

## Where we see the chances...

- Qualification (management AND employees)
- Organization of events via Skype etc.
- Complete automation in warehousing and logistics
- Minimization of errors through validated systems
- Improved knowledge management
- High reliability
- Improving processes
- Simplifying things and coping with challenges
- Digital lab

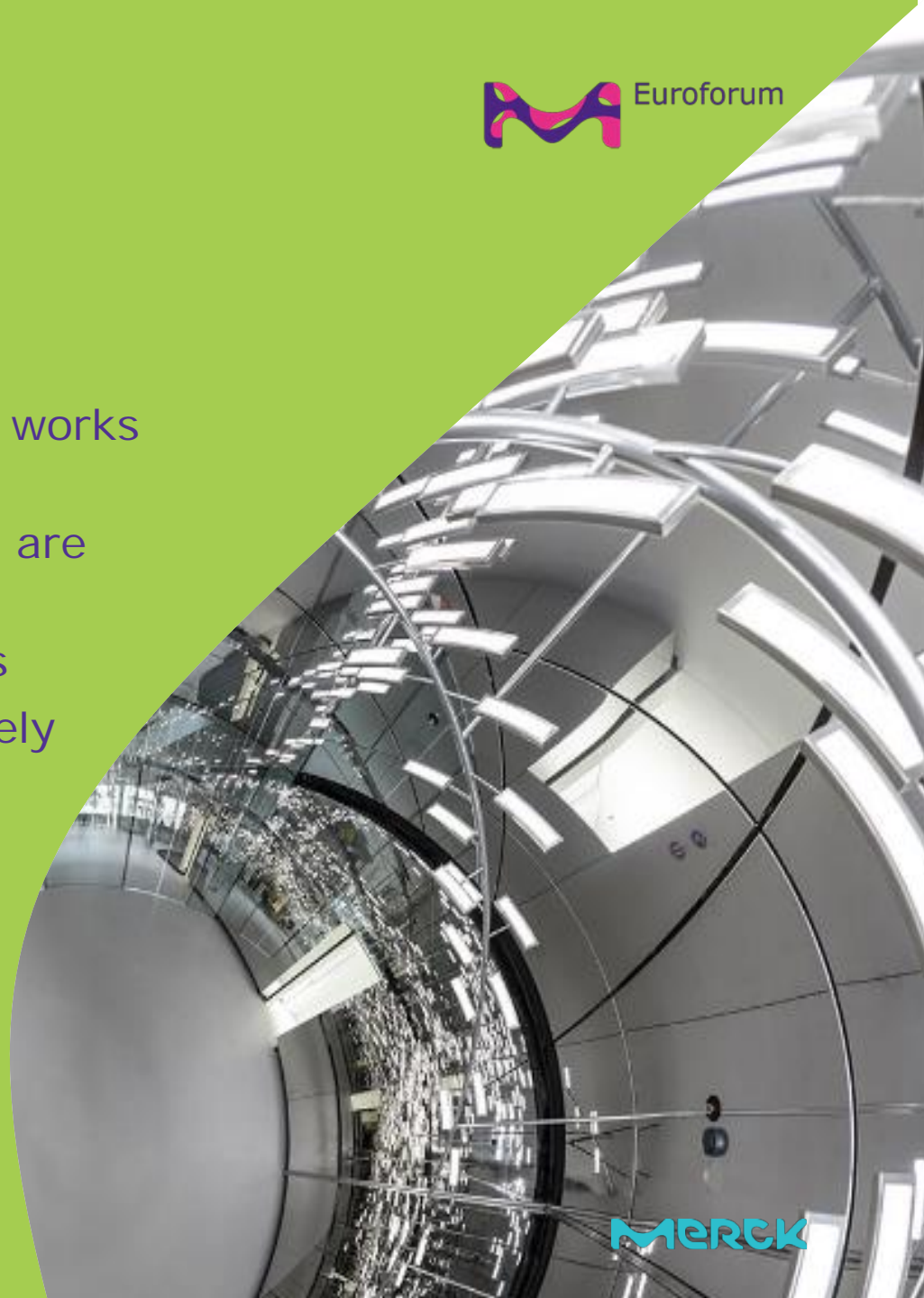
# RISKS?



- **Working time (overtime work, weekend work, availability)**
- **Blurring of work and private life**
- Reduction of verbal communication
- Loss of jobs
- Legal certainty
- Psychological stress

# what are our ideas...

- Clear regulations on flextime
- Generating platforms combining trade unionists, works council members and employees
- Intensive support for employees when new tools are introduced
- Clear qualification and further training structures
- Identifying talents and promoting them adequately



# Thank you for your attention

## Q&A



## **Iris Gürtler**

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