

Human Rights Due Diligence Report 2023 Bayer Norway AS (Transparency Act)

The Transparency Act, is a Norwegian law that requires larger companies to report on work they conduct to ensure compliance with fundamental human rights and decent working conditions. The Act entered into force on July 1, 2022. The act requires Bayer Norway AS to perform human rights due diligence aligned to the OECD Guidelines for Multinational Enterprises, report externally on this and respond to request for information from the public.

Bayer Norway AS is a part of the Bayer Group of companies (Bayer), a life science company group and a global leader in healthcare and nutrition. The Bayer Group has its head quarter in Germany. Our innovative products support efforts to overcome the major challenges presented by a growing and aging global population. We help prevent, alleviate and treat diseases. We also aim to ensure the world has a reliable supply of high-quality food, feed and plant-based raw materials. Bayer Norway AS operates in the three divisions Pharmaceuticals, Consumer Health and Crop Science.

Fundamental Human Rights & Decent Working Conditions

Bayer is a founding member of the [UN Global Compact \(UNGC\)](#) and respects the [Universal Declaration of Human Rights](#) and the International Covenants on Civil and Political Rights and on Economic, Social and Cultural Rights of the United Nations. Our human rights due diligence is based on the human rights due diligence principles described in the UN Guiding Principles on Business and Human Rights (UNGPs) and the [OECD Guidelines for Multinational Enterprises](#). The UNGPs are considered to be among the most important international standards for preventing and addressing actual and potential human rights harm in connection with business activities, such as modern slavery. We are committed to respecting these principles along the entire value chain and within our scope of influence worldwide. We also support the [Tripartite Declaration of Principles concerning Multinational Enterprises](#) and Social Policy of the International Labor Organization (ILO), and the latter's core labor standards.

1. Management Approach

Bayer fully supports human rights and has documented its stance in a globally binding Bayer Human Rights Policy, which defines the human rights requirements within the company and obligates us to respect and foster human rights within our own business activities and in business relations. This applies to all Bayer employees worldwide and the entire value chain i.e. vis-à-vis suppliers, business partners, customers, consumers and local communities alike.

By 2030, Bayer wants to be industry-leading in our approach to human rights, based on our human rights strategy.

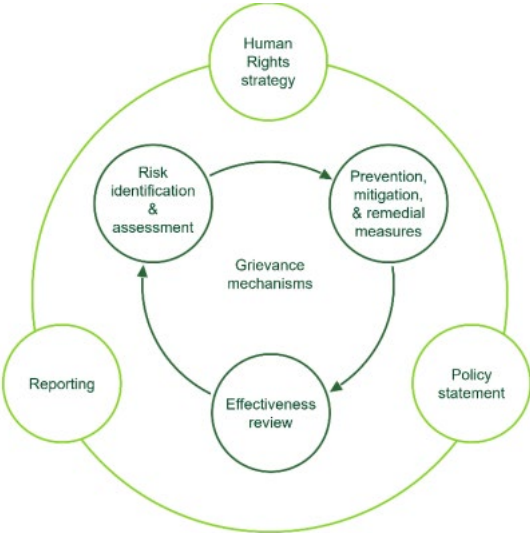
Bayer have signed a Modern Slavery Act Statement for the fiscal year 2023 (from January 1st to December 31st, 2023), in compliance with the requirements of the United Kingdom Modern Slavery Act

(2015), the Australian Modern Slavery Act (2018) and the California Transparency in Supply Chains Act (2010). It sets out the steps taken by Bayer AG and its relevant affiliates (“Bayer”).

The Modern Slavery Act states that Bayer stand for respecting human rights in everything we do and will not turn a blind eye to any violation of human rights. We recognize the increase of modern slavery violations worldwide and acknowledge our responsibility to conduct human rights due diligence to prevent, mitigate and remedy risks and violations. We are committed to respecting and fostering human rights within our own business activities and in business relations and to reporting transparently on the results of our activities in this area. This Statement builds upon our earlier Modern Slavery Act Statements and summarizes our activities to combat modern slavery and human trafficking in 2023.

Human Rights Due Diligence in accordance with UNGPs and OECD at Bayer

We implement measures to respect human rights both within our own company and along our entire value chain. Group regulations and processes, as well as management and monitoring systems, regulate the implementation of human rights standards. We are aware that the implementation of human rights due diligence is a continuous process that must be constantly adapted and improved. To ensure respect for human rights in the value chain in a targeted manner, Bayer operates according to a due diligence approach that is based on the UNGPs and OECD Guidelines for Multinational Enterprises. Guided by our human rights strategy and Group -wide management systems, our due diligence process comprises a declaration of principles, risk identification and assessment processes, prevention and mitigation measures, the implementation of remedial measures, and measures for determining effectiveness and reporting, along with access to grievance mechanisms.



Our efforts and progress on strengthening our human rights due diligence efforts is reported in the Human Rights Chapter our [Bayer Sustainability Report 2023](#) .

2. Implementation Measures

We implement measures to ensure respect for human rights both within our own company and along our entire value chain. Group regulations, processes, and management and monitoring systems regulate the implementation of human rights standards. The implementation of human rights due diligence is a continuous process that must be constantly adapted and improved.

Human Rights Due Diligence in Accordance with UNGPs and OECD at Bayer



Risk identification and assessment

To determine potentially adverse effects of our operations on human rights, we use our Group-wide integrated risk management system. The Bayer Risk Portfolio is regularly reviewed and updated.

We have implemented an integrated risk management system designed to ensure the continued existence and future target attainment of the Group through the early identification, assessment and treatment of risks. Our risk management system is aligned to internationally recognized standards and principles such as the ISO 31000 standard of the International Organization for Standardization and is defined and implemented with the help of binding Group regulations.

For detailed information on the basic elements of the risk management system, including the risk management process, and details on our risk status, please see Chapter 3.2 Opportunity and Risk Report of the 2023 Annual Report.

We have identified six priority issues:

- // Right to health
- // Responsible use of natural resources
- // Protection against child labor
- // Right to freedom from slavery, servitude and forced labor
- // Right to fair and favorable working conditions
- // Right to freedom of association

The results of this human rights risk analysis is incorporated into the Bayer Risk Portfolio of our Group-wide, integrated risk management process.

Prevention/mitigation measures to address risks and impacts

We verify the observance of human rights at our sites partly by means of Bayer audits. Bayer Internal Audit regularly conducts audits following the International Internal Audit Standards. The annual audit planning follows a risk-based approach. These audits include a verification of our human resources processes, particularly concerning labor contracts, compliance with hiring requirements (including a minimum age verification) of our permanent and temporary employees, and employees' working hours. Internal Audit also examines whether employees are paid a living wage.

We offer numerous ongoing training programs to enhance employees' awareness of the importance of human rights in their day-to-day activities. This includes a basic training course entitled "Respecting Human Rights at Bayer" to further anchor awareness about and respect for human rights throughout the Bayer Group.

In 2023, guided by our LIFE values and supplementary to our Human Rights Policy, we followed specific standards and responsibilities for respecting human rights in existing rules and Group regulations. These included the Bayer Societal Engagement (BASE) Principles, along with regulations on Data Privacy, Corporate Compliance, Fairness & Respect at Work, HSE management & HSE key requirements, and Security and Crisis Management; Management of Contingent Workforce; and Management of Compliance Incidents. We have anchored ethical, social, and ecological principles in our Procurement Policy, which is binding for all employees worldwide. The regulations approved by the Board of Management were managed centrally and followed a uniform, global process that included notifying employees about changes and new aspects via a newsletter and the intranet. Bayer has also actively established a system that transparently describes the enactment and implementation status of these regulations. Additionally, we have a Supplier Code of Conduct in place that specifies what we expect of our suppliers and obligates them to fully respect human rights, including right to be free from slavery, servitude and forced labor as well as protection against child labor. With respect to clinical trials, we strictly align ourselves to the Declaration of Helsinki, a set of ethical principles regarding medical research involving humans, adopted in 1964, and other international ethical norms and standards (e.g. from the Council for International Organizations of Medical Sciences (CIOMS) and the International Council for Harmonization of Technical Requirements for Pharmaceuticals for Human Use (ICH). These principles are also specified in our Supplier Code of Conduct.

Effectiveness review

We are working on a concept for measuring the effectiveness of our human rights due diligence approach. In this connection, we draw on established measurement systems such as supply chain monitoring.

Reporting

We regularly inform the public about our strategy, approaches and results in connection with human rights due diligence. One example is this annually published Sustainability Report.

<https://www.bayer.com/en/sustainability/sustainability-reports>

The public has right to information. Upon written request, any person has the right to information regarding how Bayer AS addresses actual and potential adverse impacts. Bayer AS shall provide information within reasonable time and no later than three weeks after request for information is received.

Grievance mechanisms and remedial measures

If there are indications of violations of our Human Rights Policy, employees and members of the general public can contact the worldwide compliance hotline. This can also be done anonymously if desired.

In addition, suspected compliance violations can be submitted to an internal mailbox – the Speak-Up Inbox. Alternatively, suspected violations may be reported to the respective local Compliance functions, Internal Audit, Human Resources or directly to a supervisor.

This enables us to systematically register, track and sanction all possible types of human rights violations. The action taken depends on factors including the gravity of the violation and applicable law.

3. Respect for Human Rights in the Supply Chain

In regard to the topic of human rights, our Procurement department undertakes a classification of the sustainability risk of our suppliers. This risk classification encompasses all procurement countries and categories such as services and seed production, the latter also including seasonal workers. This enables us to identify and systematically address human rights risks by country and category. Aspects of human rights are also covered in the training offerings and the [Bayer Supplier Code of Conduct Guidance](#), which supplements our [Bayer Supplier Code of Conduct](#) and supports the suppliers in implementing the requirements of the code. We started to reinforce our procurement category strategies, embedding responsible purchasing practices among other measures, to enhance our procurement processes to comply with the requirements of the German Supply Chain Due Diligence Act (SCDDA).

Furthermore, we verify the observance of human rights by our suppliers, partly by means of on-site audits that also include interviews with the suppliers' management and employees. In 2023, we actively worked together with the suppliers in whose operations we had identified critical findings with regard to human rights in the previous year. As required, the suppliers were either included in our Sustainability Supplier Development Program, or follow-up audits were either conducted in 2023 or further audits planned. In 2023, audits of suppliers uncovered a very small number of critical findings regarding applicable wages, other worker benefits, working hours, occupational health and safety as well as indicators of modern slavery in the form of withholding graduation certificates for a certain period of time and payment of recruitment fees. In each of these cases, we also actively cooperated with our suppliers by agreeing a time-bound corrective action plan to improve the situation for employees in a timely fashion.

In the agriculture industry, seed producers are subject to particular risks, especially as regards respecting human rights. We carry on implementing measures to prevent and mitigate such risks. In 2024, we plan to continue improving our procurement processes and take additional measures in

relation to respecting human rights in our supply chain. For more information, please see Chapter 5. Human Rights, in the Sustainability Report.

Bayer works to prevent child labor through the Child Care Program. The program is established in India, Bangladesh and the Philippines. Through our Child Care Program, we continuously raise awareness among our suppliers about the problem of child labor and clearly communicate our requirements, because our position on child labor is unambiguous: it is strictly prohibited at Bayer. We therefore oblige our suppliers to refrain from employing children. The goal of the Child Care Program is to take action against child labor in the seed supply chain. It therefore involves systematic and repeated inspections of individual seed producers in their fields by local Bayer employees during the growing season. Furthermore, a pilot of the program is planned for Thailand in the 2023/24 growing season. Through systematic audits in the second half of the growing season (January–April 2024), we want to carry out systematic checks to find out how high the risk of child labor actually is among local seed producers in Thailand. So far, we have not uncovered any concrete indications of child labor cases among our seed producers in that country. Through the Child Care Program, we also conduct activities outside the growing season to prevent child labor. Off season, Bayer employees visit schools to underscore the importance of a good education to schoolchildren and their teachers. Accompanied by medical personnel, they also accentuate the importance of good hygiene. Graduated sanctions are applied to our suppliers for noncompliance with our prohibition on child labor. These range from written warnings to termination of the contract in the case of repeated noncompliance. Thanks to a stringent monitoring system and the support of local information and educational initiatives, no cases of child labor have been identified in India, Bangladesh and the Philippines to date since the 2021/22 growing season.

The risk of human rights violations poses a particular challenge for Bayer in the seed supply chain. In 2023, we dealt in detail with human rights risks along our global seed supply chain and began to improve our risk prevention and mitigation measures. Through our Child Care Program, Bayer has for years taken systematic action to prevent child labor in the seed supply chain. Through our Child Care Program, we raise awareness about this problem among our suppliers and clearly communicate our requirements. It involves systematic and repeated inspections of individual seed producers in their fields by local Bayer employees during the growing season.

We have established a four-step process throughout the Group to improve sustainability practices in the supply chain. The sustainability landscape encompasses human rights topics including modern slavery, human trafficking and forced and child labor.



The steps include. 1) Supplier Awareness: Raising awareness on our sustainability expectations by means of our Supplier Code of Conduct and contract clauses, 2) Supplier Nomination: Nominating and selecting suppliers for sustainability evaluation with the help of sustainability risk classifications (further details see chapter III of this Statement), 3) Supplier Performance Evaluation: Evaluating sustainability performance of selected suppliers through online assessments or on-site audits, 4) Supplier Development: Developing suppliers as needed. We monitor the performance developments by way of re-evaluations. More details can be found in our Sustainability Report 2023. This process is centrally steered by a Sustainability unit in Procurement. It is implemented through cross - functional cooperation between the Procurement, PASS & HSE (Public Affairs, Science, Sustainability & Health, Safety, Environment) enabling functions.

Stakeholder Engagement

We engage in dialogue with other stakeholders on the topic of human rights and actively participate in committees and initiatives established to ensure their observance.

The full Bayer Modern Slavery Act Statement 2023:

[Bayer Modern Slavery Act Statement 2023](#)

The full Bayer Sustainability Report 2023:

[Bayer Sustainability Report 2023](#)

Oslo, 01 September 2024.

Thorsten Gerdau

Erik Helstad

Christiane Temminghoff

Chairman

Board member

*Board member/
Managing director*

Ann-Christin Siltvedt

Board member