

## Human Rights Due Diligence Report 2023 Bayer 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 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 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 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.

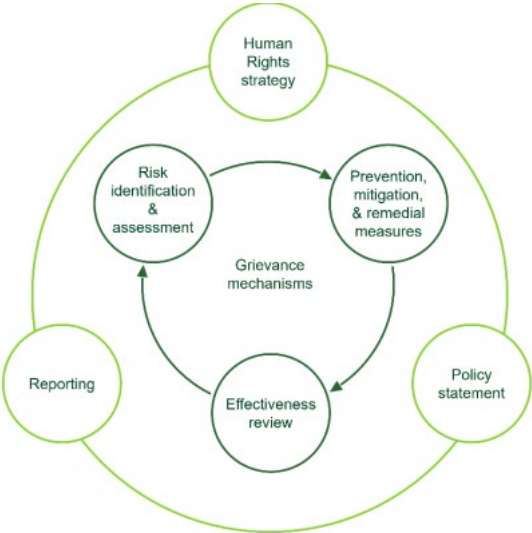
By 2030, Bayer wants to be industry-leading in our approach to human rights, based on our human rights strategy.

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. The risk analysis was conducted together with external business and human rights experts. Alongside the involvement of internal experts, civil society organizations were also consulted by way of interviews.

Risks were identified and assessed in a two-step process:

// The first step was to identify potential human rights risks that we could encounter, either through our business activities, products and services, or in our value chain.

// The second step was to assess these rights separately in terms of their risks with regard to their degree of severity, materiality and likelihood of occurrence.

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 was 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 (IIA). 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. Alternatively, employees can report suspected violations to the respective compliance functions or to the Internal Audit unit or submit information via an internal company email address or in the form of an incident request via a newly implemented platform (also anonymously).

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.

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.

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.

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