



# Health for all, hunger for none

Sustainability  
Highlight Report 2022



Science for a **better life**

# Sustainability at Bayer



For us, sustainability means more than just corporate responsibility – it safeguards Bayer’s future growth and is an integral part of our business strategy, operations, and compensation system. Through our three divisions Pharmaceuticals, Consumer Health and Crop Science, we are uniquely positioned to support access to healthcare and food security and to promote a more sustainable agriculture. Thus, we contribute significantly to achieving the United Nations’ Sustainable Development Goals (SDGs). The COVID crisis and Russia’s invasion of Ukraine have reminded us of the importance of health and nutrition and underlined our systemic relevance.

*“At Bayer, we are fully committed and uniquely positioned to fight climate change and ensure global access to health and nutrition in a more sustainable way.”*

**Werner Baumann**, Chairman of the Board of Management (CEO) & Chief Sustainability Officer (CSO) of Bayer AG

Bayer is dedicated to scientific research and technological progress – that has always been the secret of our company’s success, and it is also the key to transitioning to a sustainable economy. And even in turbulent times, we stay on track: We promised to reach our ambitious sustainability targets and continue working towards them. In line with our corporate vision of “Health for all, hunger for none,” sustainability is central to everything we do and enables us to create inclusive growth and value for society while reducing our environmental footprint and acting responsibly along our value chain.

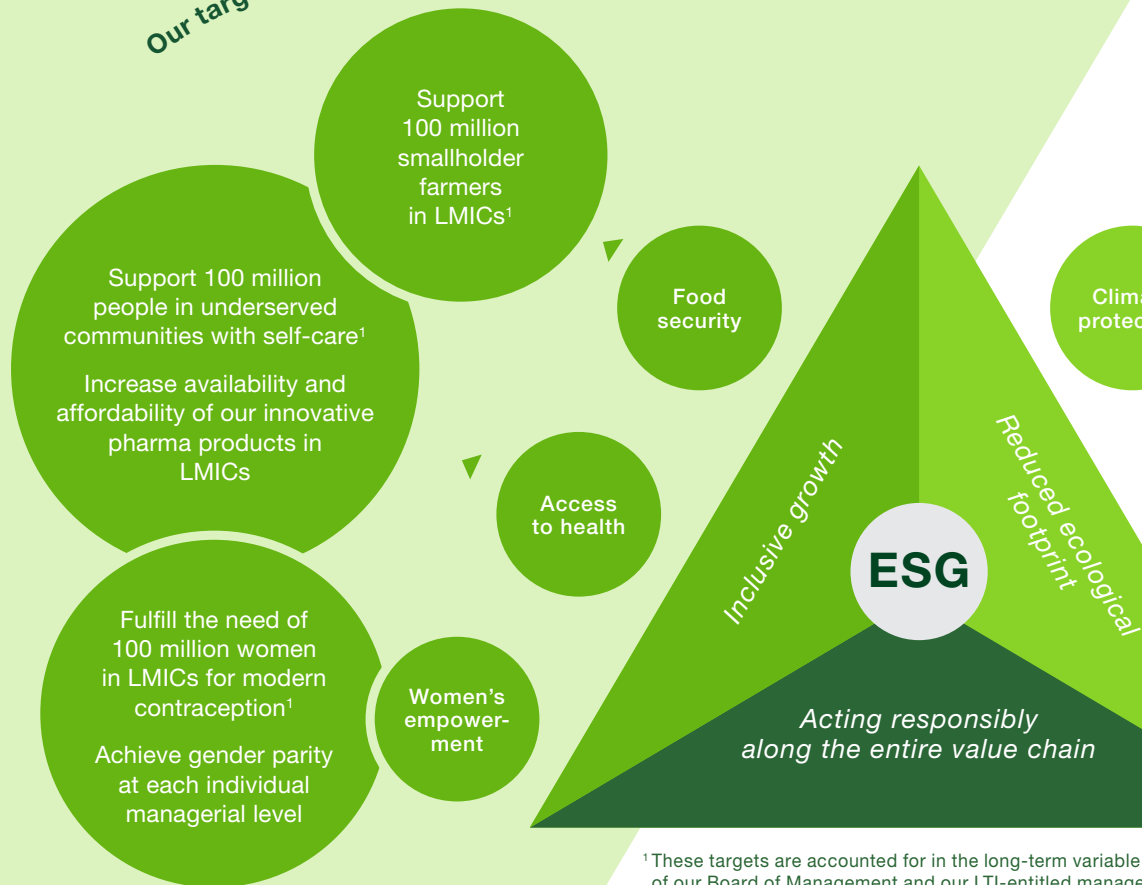
But no one can do it all alone. We believe in and rely on building strong partnerships along our value chains. That’s why we collaborate with our partners in initiatives across the globe to achieve our sustainability goals – together with our business partners, international agencies, research institutes and other organizations.

In our efforts, we adhere to the principles of the UN Global Compact. And we report on sustainability in accordance with internationally recognized frameworks and standards, which help us to make transparent how we create value for society, the environment and the economy.

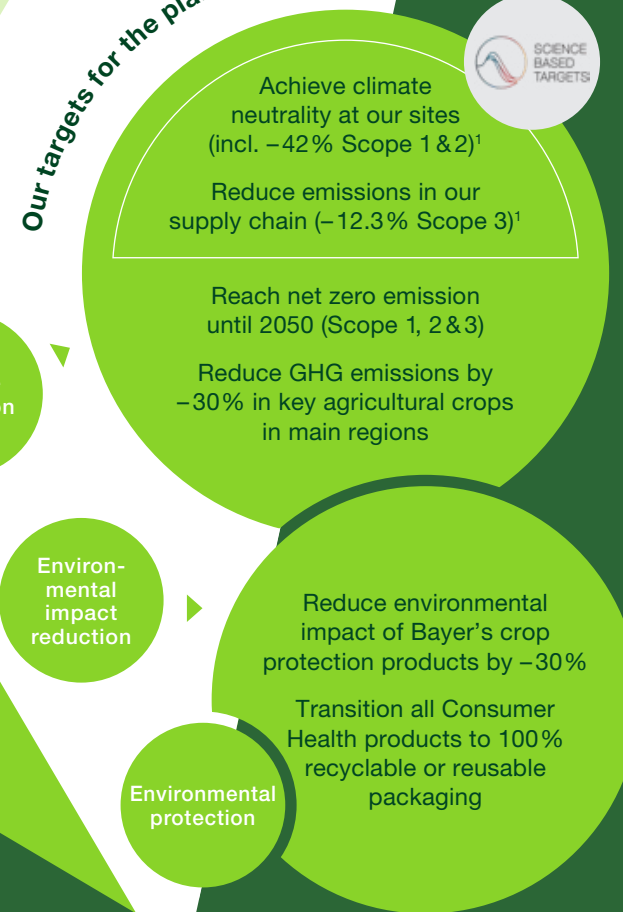
# Health for all, hunger for none

A growing world population and the increasing burden on natural ecosystems are among the biggest challenges humanity is facing. As a global leader in healthcare and nutrition, Bayer can contribute more than any other enterprise to solving global challenges through its business. With this goal in mind, Bayer is committed to ambitious targets that it aims to achieve through its own business activity and the endeavors of its employees.

## Our targets for people until 2030



## Our targets for the planet until 2030



Sustainable Development Goals (SDGs) on which we have the greatest impact through our businesses



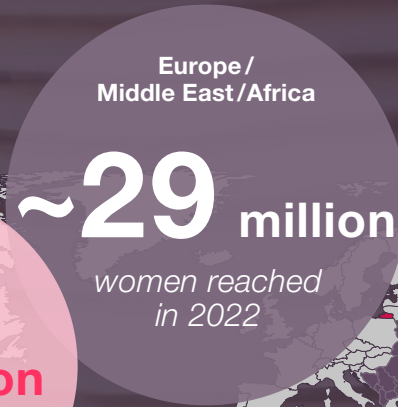
Our sustainability strategy is aligned with the global SDGs of the United Nations. From climate action to more sustainable agriculture and food security, from access to healthcare products to empowering women, we are working consistently and purposefully to reduce risks and increase our positive impact.

<sup>1</sup> These targets are accounted for in the long-term variable compensation (LTI) of our Board of Management and our LTI-entitled managerial employees.

LMICs: low- and middle-income countries  
ESG: environmental, social and governance

# Access to healthcare

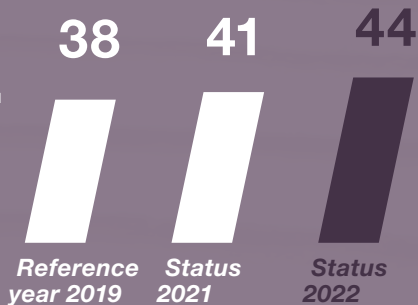
## Modern contraception



**Target 2030:** Fulfill the need of **100 million women** in LMICs<sup>1</sup> for modern contraception

### Key figure in million

Number of women reached in LMICs<sup>1</sup> who have their need for modern contraception fulfilled due to interventions supported by Bayer



**Partnerships:** The Challenge Initiative (TCI), UNFPA Egypt



We support individual health and well-being. This applies particularly to our world leading products in women's healthcare, including contraception. Family planning greatly improves the opportunity for girls and young women to complete their education and find employment. This, in turn, contributes to more equality and affluence, which plays a crucial role in improving health, as well as reducing poverty and hunger. Therefore, access to modern contraceptives is essential for future economic and social development.

<sup>1</sup> LMICs: low- and middle-income countries

# Access to healthcare

## Self-care

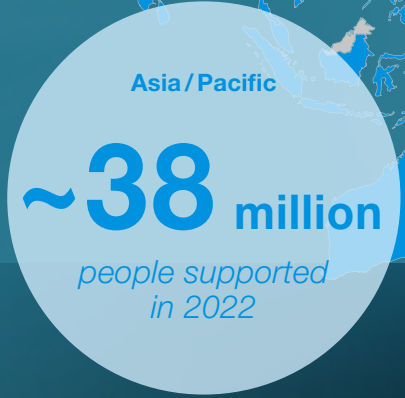
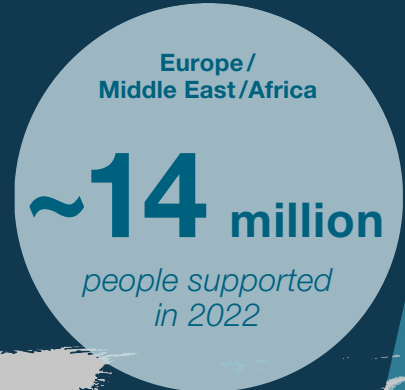
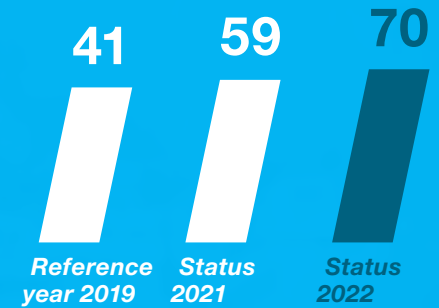
Over half of the world's population lacks access to basic medical care. That's why we are adapting our brands, products and solutions to meet the medical, pricing, packaging and distribution needs of people in underserved communities. We are developing and expanding our self-care education offerings in order to provide people with the information and tools that they need to make well-founded decisions about their own health and that of their families.



**Target 2030:** Support **100 million people** in economically or medically underserved communities with self-care

### Key figure in million

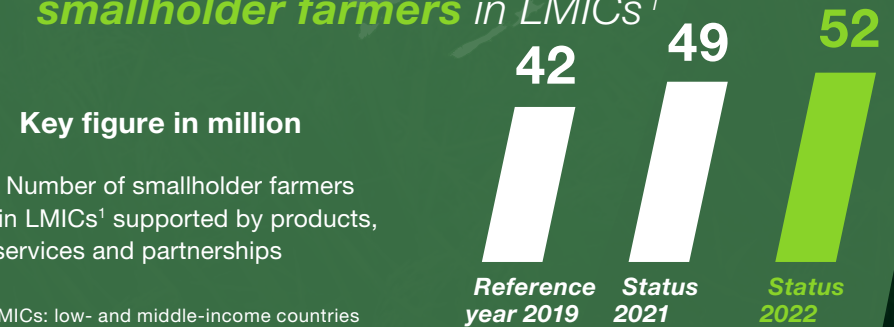
Number of people in economically or medically underserved communities whose self-care is supported by interventions from Bayer



# Food security



**Target 2030: Support 100 million smallholder farmers in LMICs<sup>1</sup>**



By 2050, the world's population is expected to grow by two billion, all of whom need access to high-quality and nutritious food. In the face of climate variability and evolving pest and disease pressures, we need a food system that is sustainably productive for farmers, consumers and the planet. Bayer helps farmers to cultivate enough food for a growing population, improving food security while at the same time offering solutions to keep agricultural products firm and fresh until they reach the consumer.

# Crop protection

## Levers we support to achieve crop protection environmental impact reduction (CP EIR)

### Reduce environmental impact of a crop protection product

- // Use active ingredient with better environmental profile (lower effect on nontarget plants and species) compared to other products
- // Research and development of new products

### Reduce environmental impact by optimized use

- // Seed-applied crop protection tools
- // Crops bred and designed to better fight pests and diseases that attack them
- // Complementing chemical and biological crop protection

### Reduce emissions into the environment

- // Digitally enabled precision application
- // Mitigation measures such as drift reduction and buffer strips

Agricultural activities always have an impact on the environment. Each tool a farmer applies has benefits and can often also have drawbacks, and this is generally true for crop protection. Farmers must strike a balance between the need for tools like crop protection – enabling them to keep meeting the need for food of a growing world population while using less land and resources – and potential trade-offs posed by increasing the use of such tools. The prerequisite for placing crop protection products on the market is clear proof of efficacy, while ensuring no effects on human health and only minimal, acceptable impact on the environment. We adopted the methodology of crop protection environmental impact reduction (CP EIR) and it is our commitment to reduce our crop protection environmental impact in the use-phase by 30% until 2030. Bayer has reduced its global crop protection environmental impact by about 14% in the performance tracking period 2017–2021 against the 2014–2018 baseline, while increasing its crop protection sales by almost 15% from 2018 to 2021. The reduction has mainly been achieved with crop protection portfolio changes over recent years.

Reduce environmental impact of Bayer's crop protection products by 2030 by

**– 30%**

# Climate program

## Own operations

Climate change mitigation and adaptation are a top priority at Bayer. We support the Paris Agreement and the objective of limiting global warming to 1.5°C relative to the pre-industrial level. We have defined a clear climate strategy and set a target of achieving climate neutrality by 2030. We also committed to achieve “net zero” in 2050 for greenhouse gas emissions (GHG) across our value chain.

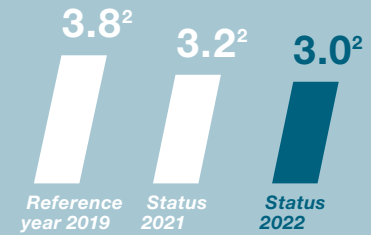
### Target to become climate-neutral

Validated by the Science Based Targets initiative (SBTi), we will reduce our own GHG by 20% until 2024 and by 42% until 2030 (relative to 2019). We work to achieve this through efficiency measures and switch to renewable energies, process and portfolio innovation, as well as offsettings remaining emissions.



### Pathway to reduction

We focus on reducing GHG associated with our own operations and on strengthening the resilience of our business areas.



2030: reduce emissions by **-42%**<sup>1</sup>  
2022: reduced emissions by -19%<sup>1</sup>

## Climate neutrality by 2030

### Joining global efforts to reduce GHG

We aim to reduce our GHG emissions. But as a manufacturing company, some emissions cannot be avoided. We will offset these emissions by purchasing certificates from climate protection projects that meet recognized quality standards and that support nature-based climate solutions, such as projects in forestry and agriculture.



<sup>1</sup> relative to 2019

<sup>2</sup> GHG emissions Scope 1 & 2 in million metric tons of CO<sub>2</sub> equivalents (CO<sub>2</sub>e)

# 100%

renewable electricity by 2030

2022: 33% renewable electricity



in **2030** **Climate neutrality**



# Climate program

## Value chain

A large part of our greenhouse gas emissions (GHG) occurs in our upstream and downstream value chain. To minimize these emissions, innovation and collaboration is key.


### Clear targets for our value chain

Validated by the Science Based Targets initiative (SBTi), we will reduce GHG emissions in our value chain by 6% until 2024 and by 12.3% until 2030 (relative to 2019). And we committed to achieve “net zero” in 2050 for GHG reporting across our value chain. To achieve this, we are engaging with suppliers and customers. We also joined together with other companies within various initiatives. Together, we aim to improve the level of GHG and climate risks and develop reduction targets and strategies.



2030: reduce our customers' greenhouse gas emissions in key agricultural crops produced in main regions by

**- 30%**



Reduce GHG emissions by 2030 by

**- 12.3%**

2022: increased emissions by +1%<sup>1</sup>

<sup>1</sup> relative to 2019

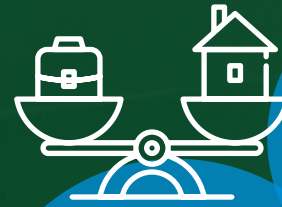
### Enabling a climate-smart agriculture

We aim to enable our farming customers to reduce their on-field GHG emissions per kilogram of yield harvested by 30% through 2030. This applies to the highest greenhouse gas emitting crop systems and in the main regions we serve with our products. To achieve a climate-smart agriculture, we foster the adoption of climate-smart practices and technologies by our farming customers.

by **2050** **Net Zero**

# Working at Bayer

Bayer employs people from over 150 nations. At Bayer, we are passionate about creating a culture based on fairness and respect. To this end, we also focus on inclusion and diversity. We want to demonstrate progress year-on-year for a gender balance throughout the Bayer Group and have established clear commitments for 2025 and 2030 for further dimensions of diversity, including age structure, nationality, experience, LGBTQ+ and people with disability. In our regional organizations, further aspects of diversity, such as ethnicity and skin color, are integrated into our commitments.



Offering  
parental leave  
&  
supporting **health  
and wellbeing  
programs**

## Flexible

// working hours  
// working locations



**50%** by 2025

women in  
management

2022: 42.9%

## Safety

of our employees  
is Bayer's priority

// in day-to-day work  
// through safety  
trainings



**97%**

employees globally  
covered with  
health insurance



Total



**101,369**  
employees

Women: 41.6%

Men: 58.4%

# Corporate Governance

## Transparency

- // Transparency is key to maintaining trust.
- // We report comprehensively and with auditor's assurance:
  - // [Sustainability Report](#)
  - // [SASB Index](#)
  - // [TCFD Report](#)

Corporate Governance goes beyond legal requirements. We derive our guidelines from our vision “Health for all, hunger for none” and our common values. They are summarized primarily in our binding Group regulations on Compliance, Sustainability, Human Rights, and Fairness and Respect at Work, as well as in our Supplier Code of Conduct and the Bayer Societal Engagement (BASE) principles.

## Interaction

- // We are a trusted partner and maintain dialog with stakeholders at various levels.
- // This includes our partners, social interest groups, and financial market participants.
- // We are also in close interaction with ESG rating agencies.

## Compensation

Targets for inclusive growth and climate protection are part of the compensation of the Board of Management and entitled managerial employees.

## Clearly defined roles and responsibilities

- // The CEO in his role as Chief Sustainability Officer (CSO) is the highest responsible person for sustainability.
- // The ESG Committee of the Supervisory Board oversees and advises the Board of Management on sustainability.
- // An independent external Sustainability Council supports the Board of Management in sustainability matters.





*“Bayer’s track record in ESG\* ratings in recent years acknowledges the company’s strong commitment to sustainability. This also confirms our work on health, nutrition, climate change and many other sustainability topics and encourages us as a global leader in this area.”*

**Matthias Berninger**, Executive Vice President Public Affairs, Science, Sustainability & HSE of Bayer

\*ESG: environmental, social and governance

# Sustainability facts

Water consumption

from 2021 >> 2022

**-4%**

Strict prohibition on child and forced labor


MSCI ESG Research

red flag removed



Board of Management introduced the position of Human Rights Officer

Bayer provided




**€53 million**

for donations and social impact programs worldwide



TOP **10** in the Access to Medicine Index 2022

More than **1,100** supplier assessments via EcoVadis platform



Conversion of fleet to electric vehicles by **2030**

By 2030, we will make **100%** of our Consumer Health products' packaging reusable or recyclable



For further details please refer to: [www.bayer.com/sustainabilityreport2022](http://www.bayer.com/sustainabilityreport2022)

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