



*Health
for all,
Hunger
for none*

**Sustainability
Highlight Report 2023**



Sustainability at Bayer



Last year, our company set off on a journey to focus the efforts of every Bayer employee solely on our bold mission: Health for all, Hunger for none. Those last six words aren't new to anyone who has followed Bayer over the past five years. What's new is the unrelenting focus we're dedicating to them. We want every person, project and process in the company to be centered on that aspirational mission. Through our three divisions Pharmaceuticals, Consumer Health and Crop Science, we are uniquely positioned to support access to healthcare, food security and climate action and to promote a more sustainable agriculture. Thus, we contribute significantly to achieving the United Nations' Sustainable Development Goals (SDGs). Geopolitical tensions and Russia's invasion of Ukraine have reminded us of the importance of health and nutrition and underlined our systemic relevance.

"We concentrate our efforts on growing more food while reducing environmental impact, and providing better health to a growing, aging population."

Bill Anderson, Chairman of the Board of Management (CEO) & Chief Sustainability Officer (CSO) of Bayer AG

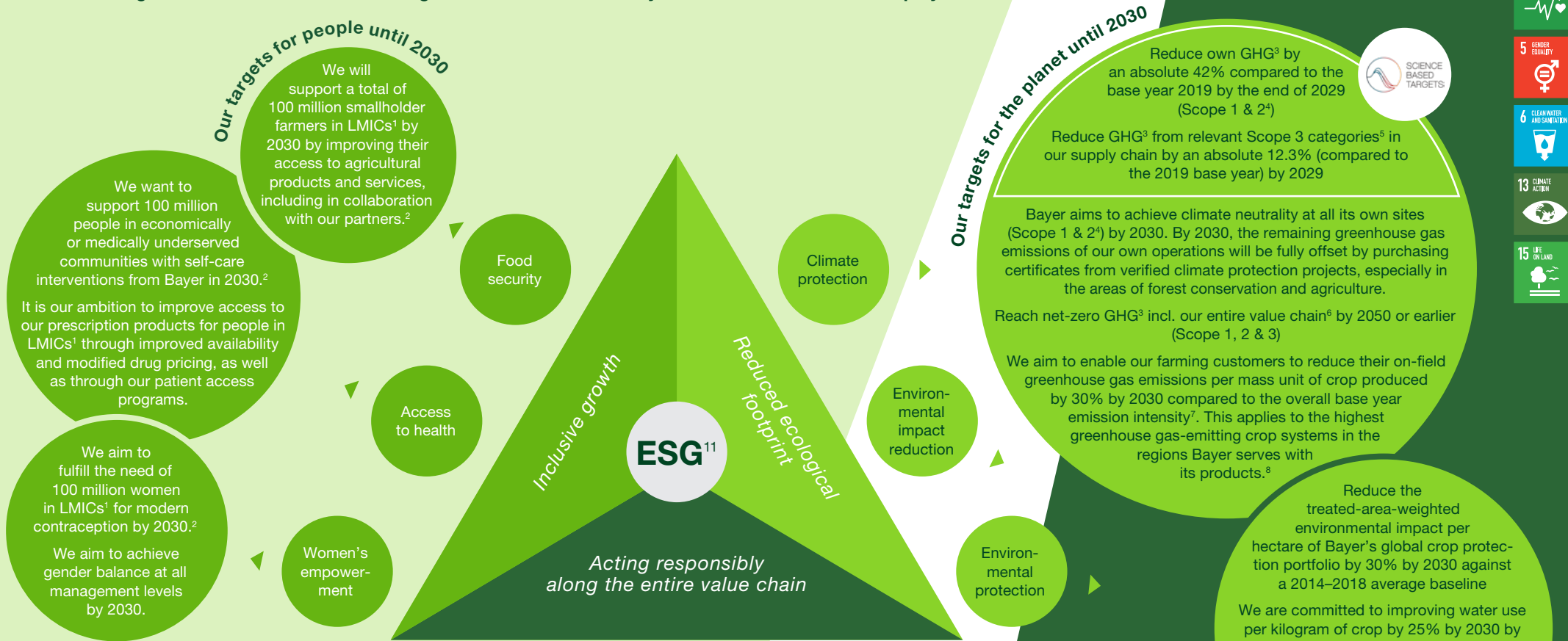
Bayer is dedicated to scientific research and technological progress – that has always been the secret of our company's success, and it is also the key to transitioning to a sustainable economy. And even in turbulent times, we stay on track: We promised to reach our ambitious sustainability targets and continue working toward them. In line with our corporate mission 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.

But no one can do it all alone. The people of Team Bayer are committed to doing their part. If there's one thing I've heard from my colleagues in my first year with the company, it's been their deep passion to benefit people and the earth with their work. Additionally, 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.

Through our expertise and solutions, we want to make an important contribution – guided by the SDGs and the principles of the UN Global Compact. And we report on sustainability in accordance with internationally recognized frameworks and standards.

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.



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

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.



¹ LMICs: low- and middle-income countries

² These targets are accounted for in the long-term variable compensation (LTI) of our Board of Management and our LTI-entitled managerial employees.

³ GHG: greenhouse gas emissions

⁴ Comprises direct emissions (Scope 1) and indirect emissions (Scope 2, market-based) from Bayer sites whose annual energy consumption exceeds 1.5 terajoules

⁵ In accordance with the criteria set out by the Science Based Targets initiative (SBTI), the following Scope 3 categories of the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting & Reporting Standard are relevant for Bayer: (3.1) purchased goods and services, (3.2) capital goods, (3.3) fuel- and energy-related activities, (3.4) (upstream) transportation and distribution and (3.6) business travel.

⁶ Entire Scope 1, 2 & 3 emissions. Scope 3 includes all categories defined in the GHG Protocol.

⁷ Our reduction target refers to an overall base year greenhouse gas intensity that includes the weighted emission intensities of 18 crop-country combinations.

Base years are defined individually for each crop-country combination, using data from either harvest year 2020, 2021 or 2022 depending on the availability of data.

⁸ The crop-country combinations Italy-Corn and Spain-Corn were not selected based on these factors but were additionally included because data was already available.

⁹ Base year calculated with data from 2021, validation process still ongoing

¹⁰ Where safety permits and regulations allow

¹¹ ESG: environmental, social, governance

Access to healthcare

Modern contraception



Europe/
Middle East/Africa

~29 million

women reached
in 2023

Latin America

~8 million

women reached
in 2023

Asia/Pacific

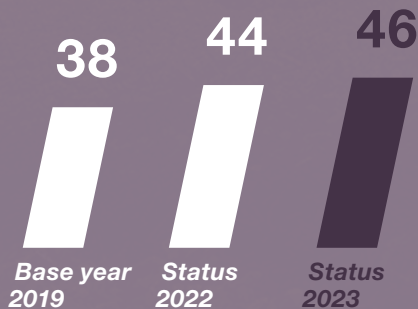
~9 million

women reached
in 2023

Target 2030: Fulfill the need of **100 million women** in LMICs for modern contraception¹

Key figure in million

Number of women reached in LMICs 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.

¹ We aim to fulfill the need of 100 million women in low- and middle-income countries (LMICs) for modern contraception by 2030.

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.

Europe/
Middle East/Africa

~14 million
people supported
in 2023

North America
and Latin America

~23 million
people supported
in 2023

Asia/Pacific

~37 million
people supported
in 2023

¹ We want to support 100 million people in economically or medically underserved communities with self-care interventions from Bayer in 2030.

² Calculated according to commercial rounding principles

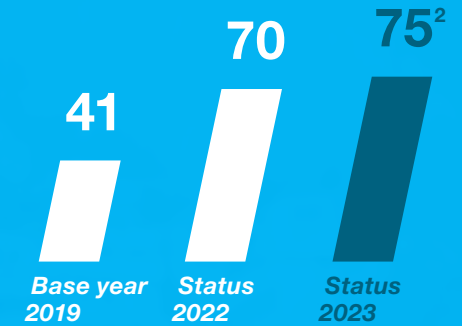


Target 2030: Support **100 million people** in economically or medically underserved communities with self-care¹

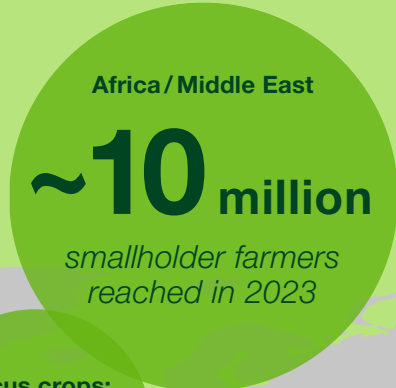
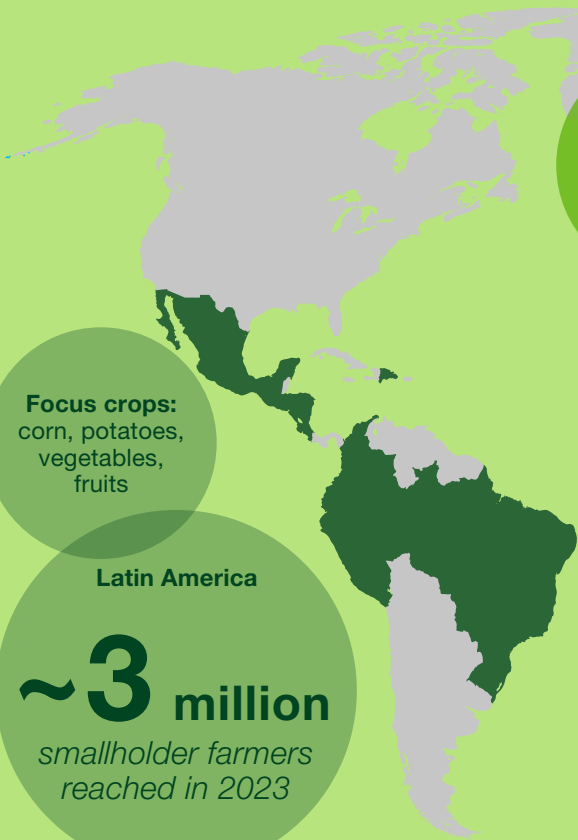
Key figure in million

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

Partnership: Vitamin Angels



Food security



Target 2030: Support 100 million smallholder farmers in LMICs¹



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.

¹ We will support a total of 100 million smallholder farmers in low- and middle-income countries (LMICs) by 2030 by improving their access to agricultural products and services, including in collaboration with our partners.

Crop protection

Environmental Impact Reduction

Reduce the treated-area-weighted environmental impact of Bayer's global crop protection portfolio by 2030 by

- 30%

Crop protection, next to fertilizers and breeding advancements, has helped humanity to feed an ever-growing population while limiting the increase of arable land, which is a vital step in helping minimize land use change. Yet crop protection products do not just increase yield – they also have an environmental impact when applied to fields. The prerequisite for placing crop protection products on the market is clear proof of efficacy, while ensuring no effects on human health and only an acceptable impact on the environment.

Crop protection products are therefore highly regulated by governmental authorities. Bayer consistently seeks to develop and offer crop protection products that have the same or better benefits for farmers, while having less impact on the environment.

We adopted a methodology for crop protection environmental impact reduction and made a commitment to reducing the environmental impact of our crop protection products. Specifically, we aim to reduce the treated-area-weighted environmental impact per hectare of Bayer's global crop protection portfolio by 30% by 2030 against a 2014–2018 average baseline.

Based on the data collected between 2018–2022, Bayer has reduced the treated-area-weighted environmental impact per hectare of our global crop protection portfolio by 12% against the 2014–2018 baseline. The reduction was mainly the result of changes in our crop protection product portfolio in recent years.

Transforming rice cropping systems

We are committed to improving water use per kilogram of crop by 25% by 2030 through the transformation of rice cropping systems for our smallholder customers in the relevant regions where Bayer operates, starting in India (base year calculated with data from 2021, validation process still ongoing).

Rice is one of the most important staple foods in the world. Billions of people rely on a diet that includes rice every day – but the irrigation of rice crops is responsible for up to 43% of global freshwater use in irrigation. Today, around 80% of the world's rice crop is produced using transplanted puddled rice cultivation practices that are especially water- and labor-intensive and contribute to global greenhouse gas emissions through higher methane emissions from flooded paddy fields, as water cannot percolate down.

Moving from traditional transplanted puddled rice cultivation to direct seeded rice can help farmers reduce water use by up to 40% and can reduce greenhouse gas emissions by up to 45% (by reducing methane emissions from the flooded rice fields).

Climate program

Our 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 have also committed to achieve “net-zero” greenhouse gas (GHG) emissions across our value chain by 2050.

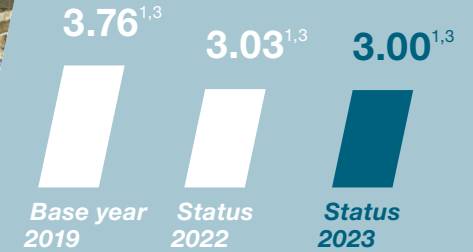
Target to become climate-neutral

Validated by the Science Based Targets initiative (SBTi), we aim to reduce our own GHG emissions by an absolute 20% by the end of 2024 and by an absolute 42% compared to the base year 2019 by the end of 2029 (Scope 1 & 2)¹. We are working to achieve this through efficiency measures, process and portfolio innovation, and by switching to renewable energies and offsetting our remaining emissions.



Pathway to reduction

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



2029: Reduce emissions by **-42%**^{1,2}

2023: Emissions reduced by 20.2%^{1,2}

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. Bayer aims to achieve climate neutrality at all its own sites (Scope 1 & 2¹) by 2030. By 2030, the remaining greenhouse gas emissions of our own operations will be fully offset by purchasing certificates from verified climate protection projects, especially in the areas of forest conservation and agriculture.



¹ Comprises direct emissions (Scope 1) and indirect emissions (Scope 2, market-based) from Bayer sites whose annual energy consumption exceeds 1.5 terajoules

² Base year 2019

³ In million metric tons of CO₂ equivalents (CO₂e)

100%

renewable electricity
by 2030

2023: 35.4% renewable electricity



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

Climate program

Value chain

A large part of our greenhouse gas (GHG) emissions 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 aim to reduce GHG emissions from relevant Scope 3 categories in our supply chain¹ by an absolute 12.3% (compared to the 2019 base year) by 2029. And we want to reach net-zero GHG incl. our entire value chain² by 2050 or earlier (Scope 1, 2 & 3). To achieve this, we are engaging with suppliers and customers. We also joined together with other companies within various initiatives.



2030: Enable our farming customers to reduce their on-field greenhouse gas emissions by

– 30%



Reduce GHG emissions by 2029 by

– 12.3%^{1,3}

2023: Emissions reduced by 4.2%^{1,3}

Enabling a climate-smart agriculture

We aim to enable our farming customers to reduce their on-field greenhouse gas emissions per mass unit of crop produced by 30% by 2030 compared to the overall base year emission intensity⁴. This applies to the highest greenhouse gas-emitting crop systems in the regions Bayer serves with its products⁵. To achieve a climate-smart agriculture, we foster the adoption of climate-smart practices and technologies by our farming customers.

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² Entire Scope 1, 2 & 3 emissions. Scope 3 includes all categories defined in the GHG Protocol.

³ Base year 2019

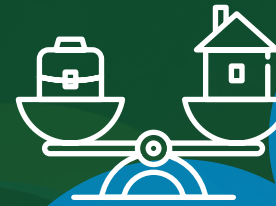
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⁵ The crop-country combinations Italy-Corn and Spain-Corn were not selected based on these factors but were additionally included because data was already available.

/// ▶ 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 diversity, equity and inclusion. We aspire to achieve gender balance at all management levels and have established clear commitments for 2025 and 2030 for further dimensions of diversity, including generations, nationality, career experience, LGBTQ+ and people with disabilities, among others. Further aspects such as ethnic background are integrated into our commitments for our regions and country organizations.



Offering
parental leave
&
supporting **health**
and **well-being**
programs

Flexible

// working hours
// working locations

Safety

of our employees
is Bayer's priority

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



by 2025
50%

women in
management

2023: 43.6%



97%

employees globally
covered with
health insurance



Total



99,723

employees

Women: 41.7%

Men: 58.3%

Corporate governance

Transparency

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

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 dialogue 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.

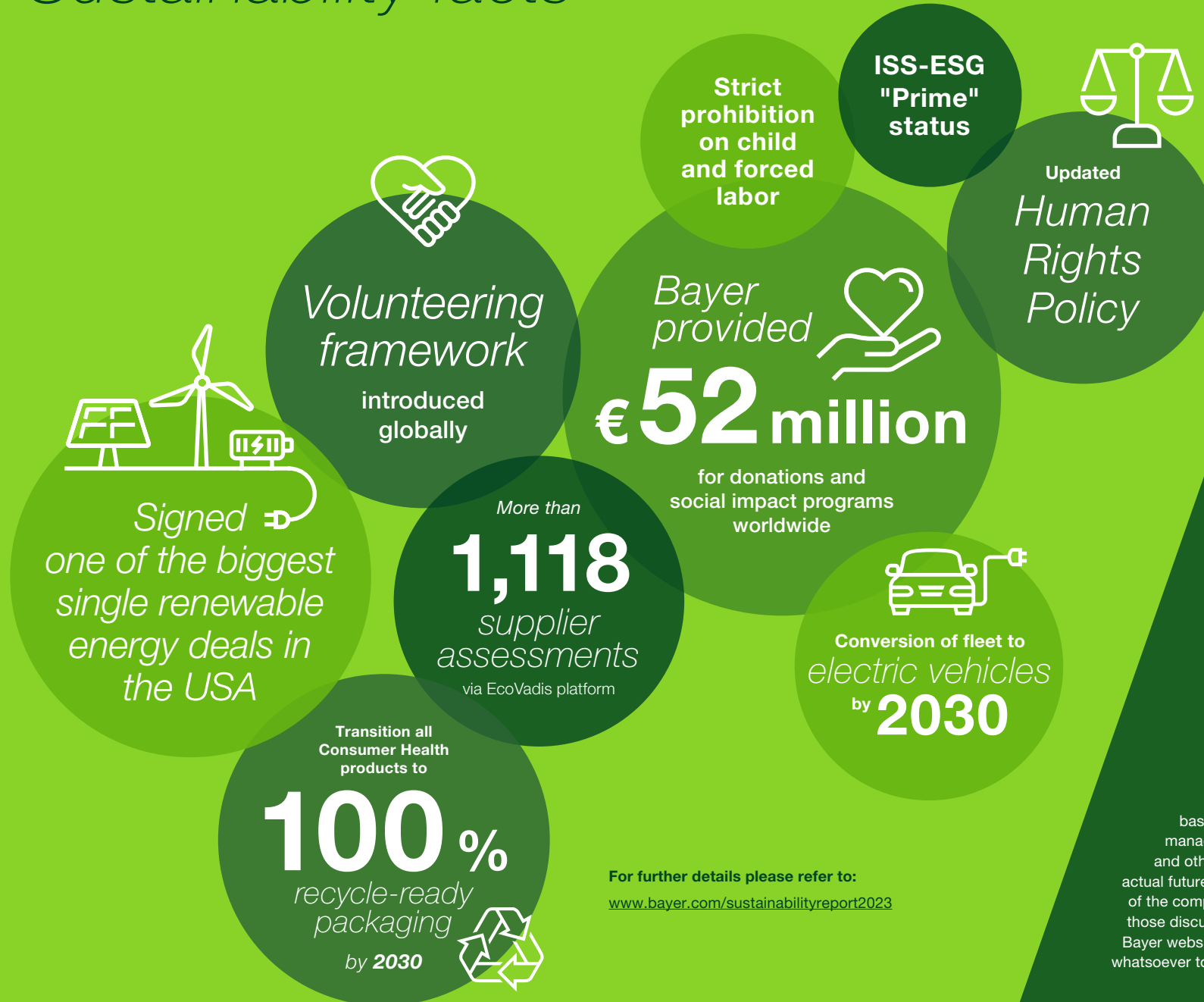
Clearly defined roles and responsibilities

- // 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.

“With our reporting on sustainability, we strive for maximum transparency – and go far beyond compliance. This showcases our commitment to sustainability and ESG. In doing so, we want to be recognized by our stakeholders as trustworthy and binding in our actions.”

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

Sustainability facts



Published by
Bayer AG, 51368 Leverkusen,
Germany

Date of publication
Tuesday, March 5, 2024

**Public Affairs, Science,
Sustainability & HSE**
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