



*Bayer Political
Advocacy Transparency
Report*



Contents

A note from Bill Anderson

Political advocacy, or *lobbying*, means participating in legislative processes and formation of public policy by communicating a person's or organization's interests to politicians and institutions that create policies and regulatory frameworks affecting their areas of activity or business. During this discourse, the 'lobbyists' also gain a better understanding of what is important to policy-makers and why. When done in an ethical and responsible manner, lobbying is an important and legitimate part of the public policy process that reflects appropriately balanced interests. At Bayer, we see responsible lobbying as one means of securing our license to operate (in other words: the external societal and regulatory conditions that allow us to do business) and advance on our mission of Health for all, Hunger for none.

Responsible lobbying starts with transparency. Transparency in political advocacy is fundamental to establishing trust with the public and policy-makers. When conducted in a secretive or opaque manner, political advocacy can result in controversy or conflict. Transparent lobbying, on the other hand, demonstrates the integrity with which we want to run our business and upholds our commitment to collaborative, honest relationships with policy-makers and society.

For a number of years now, Bayer has published information about our lobbying activities, including associated expenditures, in local transparency registries, on our website and in the sustainability-related reportings we publish annually. Bayer is taking our commitment to transparency a step further by



Bill Anderson
Chairman of the Board of
Management (CEO) of Bayer AG

publishing a yearly updated report. This report is an exciting addition to the disclosure in our sustainability related reportings (e.g. CSRD) and our Industry Association Climate Review. By laying out our understanding of political advocacy, why and how we do it, as well as what we advocate for and how much we spend, we hope to deepen public trust and understanding of our activities.

Transparency is a journey rather than a destination, and we look forward to continuing the journey with you, in open dialogue on this very important topic.

1. What we mean when we talk about lobbying

At Bayer, *lobbying* refers to engaging in public discourse and with political stakeholders to represent our interests. To us, *lobbying* is more or less synonymous with *political advocacy*: raising awareness of our interests and positions and explaining why this matters to us. We believe that well-informed decision-makers are the basis for good government and seek to actively contribute to the discussion on important social and political issues – particularly those that affect us directly – by conducting open and constructive conversations with policy-makers via established and transparent channels.

In this report, we will explain why our political advocacy work is vital to the success of our business model, what it looks like in practice and how we strive for transparency and openness in all our activities.



2. Why we engage in political advocacy

Bayer operates in the highly regulated fields of agricultural seeds and traits, as well as chemical and pharmaceutical products. Laws and regulations govern almost everything we do, ranging from how we manufacture and market our products, to how we hire and compensate our employees, to the taxes we pay. However, these forces are not static and new laws or regulations sparked by advances in science and technology – or even simply changes in political priorities – can impact our people, products, processes and infrastructure. At best, regulatory change supports us in further developing innovative products that deliver “Health for all, Hunger for none” (our mission); at worst, it may undermine our ability to do this, which is a threat to both Bayer as a company and to the societies whose health and nutritional needs we serve.

There is a heightened risk of the latter happening if politicians and regulators are not fully aware of the downstream effects that a new or amended rule may have on society and industry as they are (re)designing legislation. This could result in provisions that limit our ability to innovate in our fields of expertise. It is therefore our goal to engage with decision-makers

at the right time and serve as a partner offering information and insight during the policy-making process on complex issues affecting our industry. Regulators and politicians are often expected to cover a very wide range of legislative topics, and draft proposals can require significant specialist knowledge to fully understand the “real world” ramifications of policy changes. Decision-makers are often open to receiving input from industry players and stakeholders, including Bayer, regarding the practicality, feasibility and impact of new regulations.

We also engage with political stakeholders to stay ahead of the curve as legislation changes and potentially impacts our activities. We do this by listening and speaking with policy-makers: We want to better understand their goals and concerns as they set their policy priorities and consider changes to the landscape in which we operate. This helps us make better-informed decisions around how we as a company carry out our activities. If we see that the political environment demands change, it encourages us to critically review and adjust our businesses, portfolios and policies accordingly.



3. Ensuring accountability in our advocacy work

There are internal and external guidelines in place that hold Bayer accountable when we engage with external stakeholders. Some of these are found in national legislation, as many countries or regions already regulate lobbying practices. We also have our own company rules for political advocacy that complement external requirements and apply to all of our colleagues across the globe.

External guidelines and regulations

We adhere to applicable laws and regulations in the course of our advocacy work – for instance, requirements to publish details of our advocacy activities in national and international transparency registers. Bayer supports responsible regulatory proposals that improve lobby transparency in the markets where we operate.

Transparency registers are publicly viewable databases of organizations that engage with the law- and

policy-making institutions in a particular country or region. Different registries publish different data sets according to local regulations. In general, they may require companies, nongovernmental organizations (NGOs) and any other organizations that engage in political advocacy to publish information on their policy areas of interest, lobbying budgets, names of lobbyists and which public officials or institutions they engage with. In this context, Bayer submits details of material costs, project expenses, employee numbers and other figures required in the respective country or region.

Some countries opt for a different model, requiring public officials or institutions to disclose their agendas and/or meetings with company representatives. In Brazil, for example, this applies to officials in the executive branch.

Bayer entries in transparency registers

German Parliament (Bundestag) Lobby Register

Internal policies and guidelines

While Bayer is constantly reducing internal bureaucracy, we have developed a set of necessary internal policies, guidelines and regulations that set out our values, culture and how we are to interact with each other, our customers, collaborators and all other outside individuals, groups or organizations.

Our corporate culture is built on values, which are firmly anchored within our company and provide us with guidance in our daily work. These values serve to guide our behavior and activities as we pursue our company mission “Health for all, Hunger for none.”

Code of Conduct

Bayer's Code of Conduct outlines the ethical principles and standards that all employees must adhere to, including compliance with laws and regulations, integrity in business practices and respectful treatment of all stakeholders.

The Code of Conduct applies to all Bayer employees, including executives, managers and staff across all divisions and regions. The most senior level accountable for the implementation of Bayer's Code of Conduct is the Board of Management, supported by the Chief Compliance Officer and the Global Compliance Organization.

BASE Principles

The Bayer Societal Engagement (BASE) Principles are derived from the groupwide "Code of Conduct" and were developed to be our guiding principles when interacting with essentially everyone – our employees, patients, customers, partners, public policy stakeholders, scientists, critics and our shareholders worldwide. By setting out and respecting these group rules for engagement, we support Bayer's goal to be a company that is valued for the right reasons: our scientific and societal impact, trustworthiness and transparency. The BASE Principles are sponsored directly by the Board of Management and are binding for every single Bayer employee in every division and enabling function across the globe. Responsible for the implementation of this Corporate Policy is the Corporate Function Public Affairs, Sustainability & Safety in cooperation with the senior management in countries and divisions at all Bayer locations.



Code of Conduct for Responsible Lobbying

Our Code of Conduct for Responsible Lobbying further specifies within the context of our groupwide Code of Conduct and the BASE Principles by providing us with binding rules for our engagement with politicians or other policy-makers, including for example when we work with consultants or engage in sponsoring or similar activities. Together, the BASE Principles and Code of Conduct for Responsible Lobbying provide our main framework for transparent and fair political engagement.

Corporate Compliance Policy

'Corporate compliance' involves adhering to both internal regulations – such as our Code of Conduct and policies – and external laws, regulations and standards. Violations of compliance can lead to significant consequences, including fines, penalties, lawsuits and damage to our reputation and stakeholder trust. Therefore, maintaining compliance is crucial for our business. Bayer's Code of Conduct outlines core principles of business conduct. It defines how Bayer employees work together with colleagues and external partners, serving as a compass for acting with integrity and making informed decisions. The Code of Conduct emphasizes focusing on essential matters while reinforcing Bayer's identity. Key topics covered in the Code of Conduct include anti-corruption, conflicts of interest, insider trading, data privacy and interactions with government officials and healthcare professionals.

Data Privacy for Stakeholder Engagement and Management

This internal guideline was designed to help Bayer colleagues maintain the BASE Principles standards relating to the privacy of external stakeholders with whom we interact. For purposes of stakeholder engagement and management, personal data (any information relating to individual stakeholders) needs to be collected and analyzed. This data is considered personal data and thus is protected by data privacy laws, such as the EU General Data Protection Regulation (GDPR). The guidance within this document is based on the GDPR and provides a global minimum standard for employees in the entire Bayer Group (all divisions, functions, countries). Sometimes local laws may be stricter or have additional requirements, in which case these are the ones to be respected.

The document contains clear guidance on the collection, analysis, transfer, storage and deletion of stakeholder data, including identifying when a legitimate business interest is present, when data may be transferred to third parties (or not), how to store the data securely and when data must be deleted. The document is tailored to address the needs of public affairs colleagues, respective stakeholders interacting with our public affairs colleagues and others who regularly interact with public or elected officials where much data is available publicly.

Prohibited or highly restricted practices

In addition to adhering to applicable national and international requirements, our BASE Principles and Code of Conduct for Responsible Lobbying contain provisions addressing specific activities that are prohibited or highly restricted.

Political Contributions

As set out in our BASE Principles (Section 3.7) and Code of Conduct for Responsible Lobbying (Section 4.2), Bayer does not make any direct donations to political parties, politicians or candidates for political office.

Nontransparent Representation

In line with our BASE Principles, we are clear and upfront about how and where we engage and which activities we are involved in (see BASE Principles Section 3.7 – *We, as well as all Bayer-funded third parties, appropriately identify ourselves in all interactions as Bayer or Bayer-supported*). Efforts relying on misrepresentation and misdirection are prohibited. This can include, but is not limited to:

// *ghost associations*: Associations that are founded in bad faith, misrepresenting the view of a particular industry, and aiming solely to prevent or hinder specific legislative developments.

// *hidden sponsorship*: Masking the true sponsors of a message or organization, for example a company, to make it appear as though it originates from and is supported by a grassroots movement of active citizens.

Revolving Doors

In politics, *revolving doors* refers to situations where individuals move between roles as legislators or regulators to roles in affected industries. This means that e.g. sometimes a person who was previously employed to regulate a specific industry may work within or closely with this same industry later on. In some countries, this scenario is strictly regulated, with specific rules of confidentiality or ‘cooling down’ periods before such a move is allowed. We fully comply with all applicable rules and regulations, and have our own policy in place (see *Code of Conduct for Responsible Lobbying* Section 4.1):

// If Bayer employs former staff of public authorities or from other companies, we respect their obligation to abide by the rules and confidentiality requirements that apply to them.

// The company will refrain from hiring former Ministers or Federal State Secretaries (in other jurisdictions, the first two political tiers) for two years into political roles (‘cooling-down period’).

// In addition, Bayer will not hire external members of parliament or legislative decision-makers for respective roles during their political term.

BAYERPAC

Under United States constitutional law, American citizens who are company employees can support individual candidates’ election committees by making private donations through political action committees, or “PACs”. These voluntary donations are made only by employees, not the company, and are not tax-deductible. The PAC administered by Bayer is called BAYERPAC. Decisions on how BAYERPAC contributions are allocated are made by an independent committee comprised

of employees. These donations are subject to stringent conditions and mandatory transparency measures. BAYERPAC contributions are reported monthly to the Federal Election Commission of the United States (FEC), and details can be viewed on the FEC website and on Bayer’s website. BAYERPAC does not give to U.S. presidential campaigns.

Our governance structure

At Bayer, we have a governance structure for our political advocacy that was designed with the following goals in mind:

- // Providing guidance to colleagues
- // Establishing clear accountability
- // Enabling oversight
- // Facilitating risk identification and mitigation

Political advocacy is led by the public affairs team at Bayer. Public affairs is part of the Public Affairs, Sustainability & Safety (PASS), a so-called “enabling function” that supports the businesses of our three divisions – Crop Science, Pharmaceuticals and Consumer Health – ensuring a singular, ‘One Bayer’ voice to policy-makers.

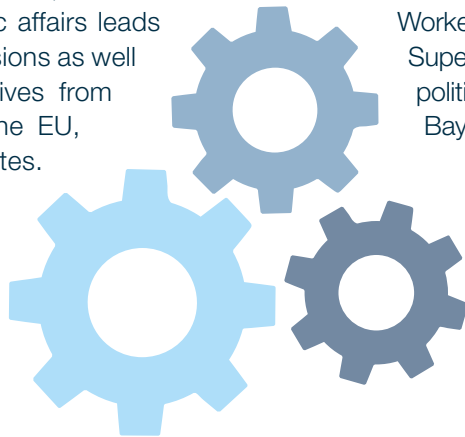
The PASS Global Head chairs a leadership team including the heads of the areas of (1) Public Affairs, (2) Sustainability and (3) Safety and the three divisional leads for sustainability.

The Global Public Affairs Head is a member of the PASS Leadership Team and leads the Public Affairs Leadership Team, which is composed of the public affairs leads in each of the three divisions as well as country representatives from Africa, Brazil, China, the EU, India and the United States. All other countries are mutually represented

by the “Public Affairs International” lead. Together, they identify key policy priorities and align strategies.

Global Public Affairs aims to ensure that advocacy strategies on country, regional (e.g. European Union) and global levels are aligned with our policy priorities and objectives, and that they are in the spirit of what we call ‘One Bayer’. ‘One Bayer’ means having one face to the customer that reflects all areas of our businesses. For public affairs, this means – for example – having a single set of messages for policy-makers on a given topic that incorporates the perspectives of our three divisions across the geographies in which we operate.

Issues and topics for our governmental affairs and political engagement work are regularly reported and discussed directly with the Board of Management by the Head of PASS, often together with the team or public affairs country lead affected by one of the topics of discussion. The Supervisory Board is directly involved in decisions of fundamental importance to the company and confers with the Board of Management on the company’s strategic alignment. In addition, the Workers’ Council (also represented in the Supervisory Board) receives regular updates on political developments with significant impact on Bayer.



GOVERNANCE

Country:

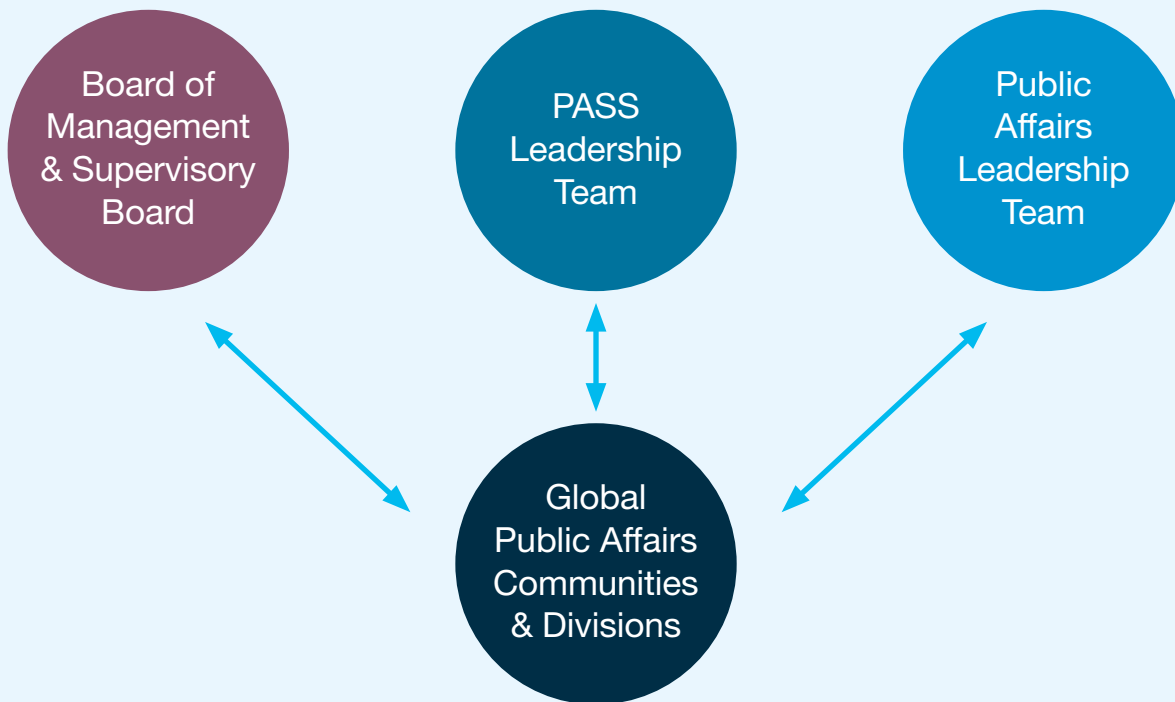
- Manage local public affairs priorities and issues
- Report emerging political priorities and issues in the global value capture system
- Country leadership and the Country Public Affairs Head are responsible for local political engagement

Division:

- Inform public affairs strategies by defining clear business priorities
- Manage divisional value chain engagement

Global:

- Develop and prioritize strategies for overarching and corporate political priorities and issues
- Manage the Global Public Affairs community across countries and divisions



Please note that at the time of publication, Bayer is currently shifting its operation model towards a concept known as “Dynamic Shared Ownership” (DSO).

To support our governance bodies and document our impact, we have implemented a value-capturing system called ‘Value at Stake’ to allow the global Public Affairs Leadership Team to have a full overview of priorities and issues with high value and/or

reputational impact. These are then automatically flagged and addressed by global leadership in alignment with our businesses. The system aids in tracking the potential impact of ongoing topics, in prioritizing our resource allocation as well as which topics may need cross-divisional or global attention. A current Value at Stake readout is part of the Board of Management briefings provided by the Head of PASS mentioned above.

Compliance and enforcement

We provide multiple avenues for our employees and external persons to report behavior that is not in line with our internal guidelines or applicable laws. Within Public Affairs we have a Compliance expert who centrally oversees and steers public affairs activities in this regard and aligns with our Laws, Patents, and Compliance organization.

Reported violations of the *Code of Conduct for Responsible Lobbying* can be considered compliance violations. The principles for dealing with compliance incidents are described in the Group Regulation of Management of Compliance Incidents, which establishes the respective roles and responsibilities and explains the procedure for handling suspected and actual compliance violations. Suspected compliance violations can be reported – anonymously if desired and permitted by law – via a globally accessible compliance hotline that is operated by an independent service provider. Suspected violations can be reported by anyone either via the internet or through a phone

call made in the caller's preferred language and answered by independent specialists. The hotline is also accessible to the general public. In addition, an internal mailbox – the Speak-Up Inbox – was introduced in 2020 for the submission of suspected compliance violations. Alternatively, suspected violations may also be reported to the respective local Compliance functions, Internal Audit, Human Resources or directly to a supervisor. Since 2021, it has also been possible to report suspected compliance violations by logging a so-called incident request on a newly implemented platform. Furthermore, suspected compliance violations are recorded and processed within the scope of monitoring activities conducted by the Compliance function.

The company ensures that no employees are disadvantaged or exposed to retaliatory measures because they reported a suspected compliance violation in good faith.

Additional Bayer transparency initiatives

Bayer Science Collaboration Explorer

We continue to increase transparency in our science collaborations. While we conduct many scientific studies independently, for some we depend on collaborations with other scientists and scientific institutions around the world. We are aware that these partnerships are sometimes viewed with skepticism, and that a plea for more transparency has been made. With this in mind, we launched the [Bayer Science Collaboration Explorer \(BSCE\)](#), a dedicated open-access webpage that publishes key data related to our scientific collaborations with external partners. The BSCE, initially launched in Germany as a pilot project in 2021, has since been expanded to the United States and Switzerland, with additional countries to follow.

Industry Association Climate Review

In 2021, we started publishing [Industry Association Climate Reviews](#) on a yearly basis. The review assesses the alignment of our industry associations' climate positions with our own commitments on climate change. This forms the foundation for Bayer's continued commitment to advocacy for science-based policies addressing climate change through its member associations. Where we find misalignment between our climate ambitions and those of our industry associations, we will take measures to bridge that gap. For this purpose, we have developed a two-phased process based on engagement and remediation for working to address instances of misalignment. No two engagements with relevant industry associations will be the same, but we are committed to working to achieve progress in resolving any disconnect in policy-related positions. In the reports published in [2021](#) and [2022](#), we disclosed our steps taken and the work that still lies ahead, as well as providing a detailed update on the instances of material misalignment including engagement and remediation measures that we have taken.

Glyphosate Renewal Group

We are transparent about our activities as part of the [Glyphosate Renewal Group](#), which sought the renewal of the EU authorization of the active substance glyphosate. On the group website, we publish correspondence and the minutes of meetings with relevant regulatory bodies, publish the re-approval dossiers and scientific studies to fulfill the regulatory requirements and allow any interested persons to order full study reports submitted during the re-approval process. Demonstrating our commitment to making our advocacy work fully open to public scrutiny, the Glyphosate Renewal Group proactively met the new provisions of the EU General Food Law before the legislation came into force in March 2021.

Intellectual property rights initiatives

Bayer has published its intellectual property rights principles as part of our commitment to transparency with society

([see here](#)). The following initiatives demonstrate our active commitment to the principles in 2023:

- // Participation in the Pat-INFORMED database, which provides basic patent information about approved Bayer medicinal products and makes them publicly available.
- // We do not file for or enforce patents in the Low-Income Countries (LICs) for human pharmaceutical products or vector control products.
- // Providing free-of-cost access to patented innovation for small vegetable breeding companies in Europe ([see here](#)).
- // Bayer is one of nine founding companies to develop the Agricultural Crop Licensing Platform (ACLP), which aims to attract small, medium and large plant-breeding companies in Europe to share easier access to commercialized patented traits in Europe.

4. What our political advocacy work looks like

The previous sections of this report outline why we engage in political advocacy and the guiderails detailing the ethical standards for our work. This chapter will focus on what our political advocacy looks like in practice – in other words, the tools and avenues that we use to get our messages across. The following are the most common methods that we use to engage with policy-makers:

Direct engagement

In this most direct form of political advocacy, Bayer colleagues and/or our representatives meet face-to-face or virtually with policy-makers. These could include members of parliament, government employees or regulators, or representatives of nongovernmental or international organizations.

These most often take the form of bilateral meetings, though depending on the topic, staffers or technical experts may be included by either side as well. Meeting requests submitted by Bayer are via official channels (e.g. our Bayer e-mail addresses or business mobiles) and clearly state the intended purpose of the meeting. The topics discussed vary according to the stated meeting purpose, but they typically focus on new legislation or planned change in legislation. We may discuss proposed provisions in legislation that affect Bayer. We may see if there is a viable alternative that still achieves the goal of policy-makers without the – usually unintended – negative effect on our company or industry. We may bring supporting documentation as a *leave-behind* or e-mail materials after the meeting, including scientific studies, trade association position papers and our own summaries and recommendations regarding a particular policy issue.

Another way in which we engage directly with stakeholders is to organize events that bring together representatives from industry, the political arena, civil society, academia and the media to raise awareness around pertinent issues, facilitate learning and provide a platform for participation in broader societal debates.

We publish an annual overview of our direct advocacy activities in the area of climate policy on our website:

Industry associations

Industry associations, sometimes referred to as trade associations, are membership organizations that represent the interests of companies and organizations. Industry associations usually bring together companies within the same sector or another common issue (digitalization, for example) and thus have the purpose of safeguarding the collective interests of their members. Many industry associations engage in advocacy on behalf of their member companies, but this is only one of the many functions that they serve. They also communicate with the press and public with one voice for the sector represented, and they promote knowledge-sharing and collaboration between member companies on technical and regulatory issues in line with anti-trust guidelines.

Industry associations are typically governed by boards of directors or an executive committee that is elected by the members. This body steers the association priorities, funding and structure. Members pay dues to fund the association's operations and support its activities. Trade association work is usually done via topic-specific committees, working groups or *ad hoc* task forces. Examples could include tax policy, market access, science and regulatory policy or eHealth, though these are highly dependent on the goal, membership and thematic scope of each individual association.

Local country leadership often has leading roles in major national trade associations, oversees membership in local trade associations and steers positioning in close alignment with global public affairs and business divisions.

Currently, Bayer holds memberships in associations, mainly focused on the agricultural, pharmaceutical and chemical industries, as well as some with a cross-cutting focus such as associations for sustainable development, digital/technology policy or national Chambers of Commerce.

Trade association fees 2023

Region	Trade association fees
Brazil	1.5 m €
China	0.1 m €
EU-level	4 m €
Germany	5 m €
International and global*	3 m €
United States	12 m €

(Sums above 3 million € rounded to the nearest 500k €, sums under 3 million € to the nearest 100k €)

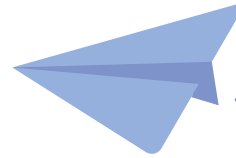
*Global/international refers here to associations operating on a global or international level and addressing topics with this scope. They may be structured as umbrella organizations for national industry associations.

Trade association membership fees are calculated according to the rules set out in each association's rules of procedure. These can differ greatly, though the majority of fee structures are linked to the member company's revenue in that country or market. This is why the total amount of association fees paid is usually highest in countries where headquarters are located and where the company is most active in terms of research, production and sales and employees.

Industry associations represent a broad range of companies. In terms of political advocacy, this is often a strength because it is a support for policy-makers who can engage with one rather than many representatives, and allows multiple actors to speak with one unified voice. Some policy-makers even have a policy of only speaking with trade associations and not with individual companies. Difficulties can arise when members have conflicting views on a particular topic or policy area. Bayer consistently checks that trade association positions are in line with our own. For us it is very important that our interests are adequately represented by the associations in which we are members. Association positions cannot, however, always be in line with those of a single member, and sometimes compromise, the formation of a minority opinion or simply disagreement is required.

In cases of misalignment on a fundamental issue of public policy or where we see that the actions of a trade association run counter to our policy positions, we engage with the association at the appropriate level (e.g. working group, committee, board), secure other members as allies and escalate the problem within the trade association structures as needed. How we handle a misalignment that is not solved via the methods above depends greatly on the degree of divergence in position, the importance or potential impact for Bayer specifically and for industry as a whole and the political urgency of the issue at hand.





When this occurs, we may issue a position paper or press release with our diverging opinion or state clearly in discussions with policy-makers that our view is different from that of the trade association.

Given our ambitious climate targets, we regularly assess the alignment of our industry associations' climate policy positions with our own commitments. To provide transparency in this process, we annually disclose the results of the analysis, including any alignments achieved or misalignments being addressed (see page 15-17 of the Industry Association Climate Review).

External Consultancies

We use external consultancies to support some of our political engagement activities. We typically do this when we need subject-matter expertise that we may not have in-house and/or to provide us with additional capacity and an external perspective on

our work. Support from external consultancies is based on a well-defined scope of work that describes the topic or project to be worked on, as well as the specific activities to be completed within a specified timeframe. Examples include desk research on political or regulatory topics, support for the organization of an event or an upcoming meeting with a policy-maker (e.g. preparation of documents or, in certain cases, requesting appointments).

Events and open fora

We sometimes sponsor events or conventions in a political or semi-political context to promote the visibility of our company and its operations. This could include a booth at a political convention, advertisements in a party magazine or having our logo displayed on an event invitation. We also host our own events both alone or together with partners addressed towards policy-makers and sometimes including the broader public. These typically have a thematic focus, for example new genomic techniques or a specific legislative initiative, such as the EU Pharmaceutical Strategy.

5. Disclosures: Facts and figures 2023

Through increased transparency, we hope to increase understanding of what, why and how we engage. This section of the report contains two sets of disclosures for our five largest markets according to revenue as well as our work at international/global level. We endeavor to add additional countries as we update this report. First, we disclose our expenditures for political advocacy and associated activities. And second, we list our top political advocacy topics for the year 2023 in each market.

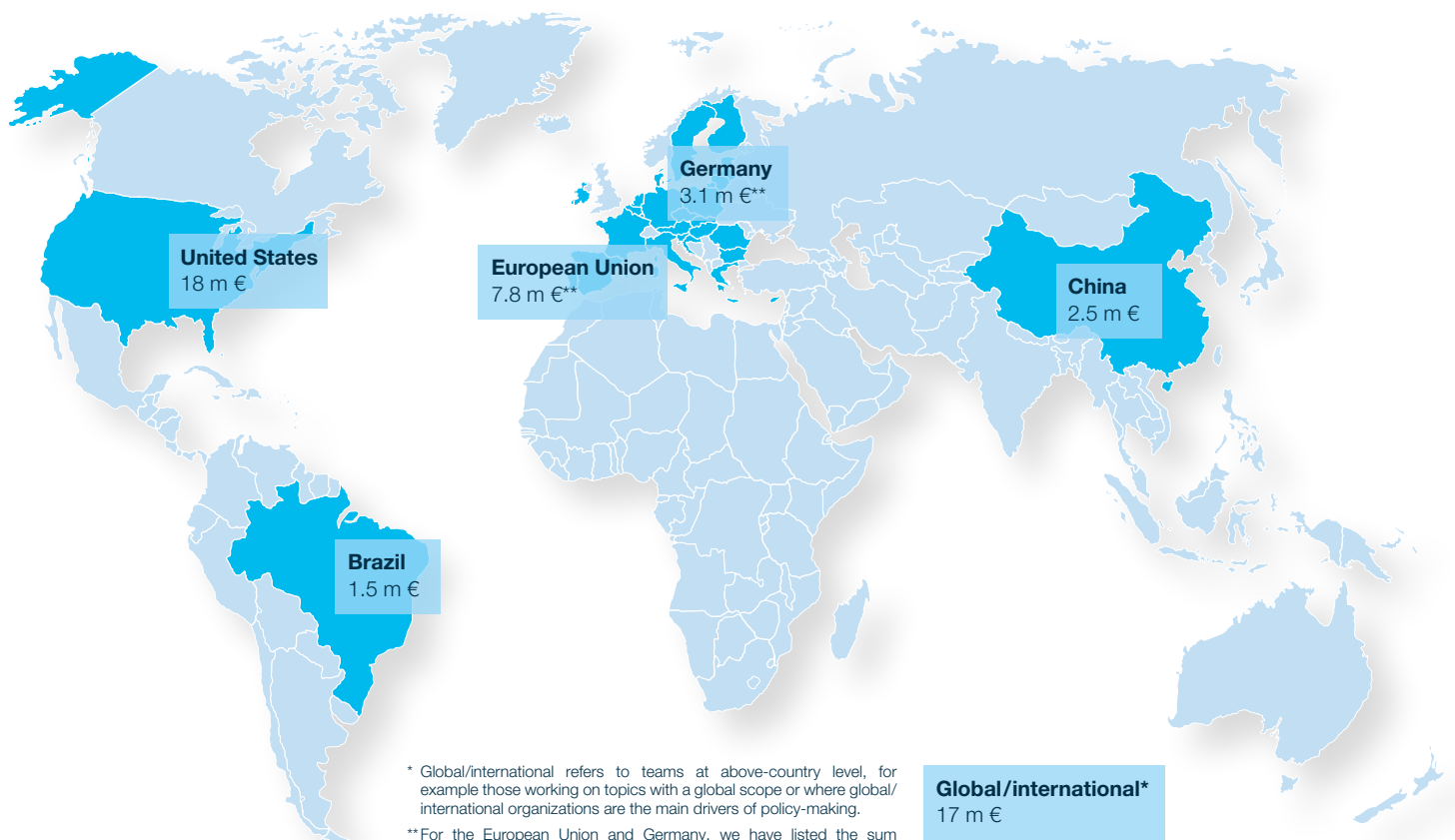
Public affairs expenditures 2023

For the purpose of documenting our expenditures, we have included the full budget of teams focused primarily on our political advocacy work. This calculation is based on the internal cost center associated with the corresponding public affairs team or teams, including those at group level and in the individual Crop Science, Pharmaceutical and Consumer Health divisions. The sums listed include all staff and all types

of expenditures, whether or not those are directly linked to engaging with policy-makers. Our final figures include the following costs:

- // Personnel costs, including those for management and administration
- // Structural costs, such as for rent or office supplies
- // Flexible costs, such as those for engaging external vendors and consultancies

Our method of calculation is based on the corresponding internal cost centers in order to have a single, practical approach for each country included. In addition, we have not differentiated between costs associated directly with engagement and other work conducted by our public affairs teams, including for example administrative work and strategic projects. No method will be 100% accurate, however, and inevitably some costs will be included that are not linked to political advocacy. The below represents our best-faith effort to sum up public affairs expenditures per geography.



* Global/international refers to teams at above-country level, for example those working on topics with a global scope or where global/international organizations are the main drivers of policy-making.

** For the European Union and Germany, we have listed the sum disclosed in the local transparency register. It should be noted that each registry has different rules and requirements stipulating which costs are to be included and how those are to be calculated. Also with regards to trade association fees, we respect the local guidelines. This should be considered when comparing these figures with those calculated using the cost center-based method.

Our top political advocacy topics for 2023

We aim to continually increase transparency not just in how we advocate, but also regarding the goals of our engagement. To this end, we publish our political positions on the most pressing topics linked to our activity on our website (see link below). Going further, in this report we have listed our top political advocacy goals for our five largest markets worldwide for the year 2023.

Bayer holds a company stance on key political, societal and environmental issues. These positions summarize the viewpoints that our representatives put forward in Bayer’s advocacy work.

Five largest markets worldwide

Brazil

- // Approval and modeling of tax reform, including appropriate rates and aligning Brazil’s transfer pricing system with the standards established by the OECD
- // Updating outdated Brazilian royalties regulation, which is having negative, unintended effects on our licensing agreements in our Crop Science business;

advocating for respective double taxation treaties with the U.S. and Germany

- // Collaboration for the China export environment of agricultural goods, especially on the coordination of product registrations in China

China

- // Advocating for removal or modification of the restriction on foreign investment in genetically modified crops to enable market access and a level playing field between joint ventures and Chinese companies
- // Advocating for lifting or modification of foreign investment restrictions in the area of cell and gene therapies

- // Addressing the suspension of new pesticide registration due to policy that only recognizes regulatory data produced within PRC

European Union

- // Working transparently with the European Commission and EU Member States to continue to ensure that glyphosate-based and other plant protection products remain available to farmers and other users in Europe to support agricultural sustainability and industrial vegetation management
- // Advocating for a new biotechnology strategy including a framework for the regulation of plants produced by new genomic techniques, allowing for R&D investments and cultivation in the EU

- // In the context of the EU Pharmaceutical Strategy, communicating industry’s and defending strong patent protection for innovative medicines particularly in areas of high unmet medical need

Germany

- // Advocating for the improvement of economic conditions in Germany
- // Garnering political support for the establishment of a cell and gene therapy center in Berlin in collaboration with the Charité hospital to promote research and collaboration in translation into applied treatments
- // Supporting the Federal government in the development of a national pharmaceutical industry strategy to bolster Germany's position as a leading site for Research and Development and excellent patient care

Global/international*

- // Mobilizing the private sector to address the global food security crisis, exacerbated by food market disruptions caused by Russia's invasion of Ukraine
- // Engaging with governments and partnership organizations (e.g. LEAF Coalition, USDA/IRRA) on carbon farming and water in order to achieve regenerative agriculture
- // Advocating for an innovation-friendly policy environment in the context of current global challenges like climate, biodiversity etc. at multilateral fora (e.g. UN Climate Week, UN General Assembly, COPs)

United States

- // Protecting women's access to contraceptive products at the federal and state levels of government
- // Ensuring science-based regulation of crop protection products at the Environmental Protection Agency on federal and state level
- // In the context of the Inflation Reduction Act, advocating for climate change investments and policies
- focused specifically on agriculture and against changes in drug pricing seen as being detrimental to innovation as well as against certain tax provisions
- // Advocating for pharmacy benefit managers (PBM) reforms and modifications to the Inflation Reduction Act to address the discrepancy in treatment of small molecule drugs and biologics

*Global/international refers to teams at above-country level, for example those working on topics with a global scope or where global/international organizations are the main drivers of policy-making.

6. *The way forward*

Transparency, particularly in the sensitive area of political advocacy, is essential for building trust with the public, those who use our products and others with a stake in our activities. The publication of this report is not the finish line, but rather the beginning of an ongoing exchange. We commit to updating this report annually, including the disclosures on our expenditures and topics, and we endeavor to continually expand the list of countries. Our ambition is to make this effort as impactful as possible, and we depend on your valuable insights and feedback. We encourage you to get in touch and guide us on this journey.

Masthead

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