Health, Safety and Environment (HSE) Management & HSE Key Requirements Policy

This policy outlines the framework for effectively managing the health, safety and environment at Bayer.

Scope: Group
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Health for all,
Hunger for none

Contents

1   Introduction

As stated in [Bayer Code of Conduct](), Bayer is fully committed to consistently and continuously ensuring the health and safety of its employees and others affected by its activities, as well as protecting the environment and responding to changing environmental conditions. In fulfilling these Health, Safety and Environmental (HSE) commitments, Bayer acknowledges and understands the needs and expectations of both internal and external stakeholders.

1.1 Purpose

This policy covers how Bayer handles environmental aspects and impacts related to its activities, products, and services that the company can control or influence. It also addresses the management of health and safety risks within the control of sites and teams, considering factors such as the operational context and the needs and expectations of its workforce and other stakeholders. By upholding this policy, we ensure that we are respecting Human Rights.

1.2 Scope

This policy applies to every person performing work under the control of Bayer and requires leadership commitment and active involvement across all levels and functions of the organization. Worker representation, as defined by relevant local laws, will be included to ensure their rights and interests are considered in health, safety, and environmental practices.

2   HSE Management Structure

2.1 Principles

2.1.1 Context of the organization

Bayer is a global enterprise with core competencies in the life science fields of healthcare and agriculture. Continuously reducing the environmental impact of our business activities and ensuring the safety of our own employees, contractors, guests, and the people who live near our sites are among our highest priorities. Effective management of HSE topics is the key to protecting people and the environment.

2.1.2 Leaders Responsibilities

Leaders at Bayer are accountable for HSE within their respective operations. Each business is responsible for incorporating HSE accountability into their management system by assigning leaders to oversee HSE within their areas of responsibility. Additionally, legal entity leads are accountable for operations however, as a good practice, they can delegate specific responsibilities to relevant leaders. This delegation ensures clear accountability and effective management at all locations to comply with legal and corporate requirements. The accountabilities and responsibilities consist of:

1) Taking accountability for understanding and complying with legal and other HSE requirements.
2) Owning responsibility for prevention of work-related injuries, adverse effects on health, and provision of healthy, safe, and environmentally responsible workplaces. This includes organizing work schedules that allow for appropriate working hours and breaks, which are essential for maintaining employee safety and health by reducing fatigue and stress, promoting mental well-being, and enhancing overall productivity.
3) Establishing HSE objectives aligned with the organization's strategic direction and communicating these to the organization.
4) Taking accountability for implementing and resourcing an effective HSE management system, including its establishment, maintenance, and continuous improvement. These resources include as far as applicable adequate staffing, technological, organizational, and financial aspects, as well as infrastructure such as site, equipment, utilities, IT, communications, and emergency structures to maintain the effectiveness of the HSE Management system and reducing the risks for our company.
5) Implementing processes for employee consultation and active participation in the HSE management system, while ensuring protection against reprisals for reporting HSE incidents.
6) Promoting an HSE culture in the organization and leading by example through personal involvement in HSE and demonstrating safe and responsible behavior.

2.1.3 Planning

This document establishes how Bayer plans for, and implements, the controls necessary to identify, evaluate and manage HSE hazards, associated risks, the methods used to mitigate them, and the management system framework necessary to comply with applicable legal and company requirements.

Sites and teams identify and systematically analyze HSE hazards within their functions or operations to determine levels of risk. They develop and document HSE action plans to manage the risks to a level that protects personnel, assets, and the environment. The risk analysis is communicated internally to relevant decision-makers and impacted stakeholders as part of the HSE planning process. The HSE plans include coordination with suppliers to manage HSE requirements throughout the supply chain.

2.1.4 Support

Key elements for an effective HSE Management System are the resources as described under 2.1.2 Leadership. The other support elements are the following:

1) Competencies
Sites and teams have a process for determining and assessing the competency of personnel involved in HSE activities. Sites and teams ensure that all legally required HSE positions are identified and filled with a competent person. The individual assignment is signed and documented, and, if necessary, the respective authorities are notified. A list of all legally required HSE sensitive positions is kept up-to-date and available.

Based on needs evaluation, leaders define and plan group and individual trainings to ensure that competencies and proficiency in roles and tasks are kept according to requirements. Leaders evaluate the effectiveness of the training, and they take appropriate actions; these associated records are retained. All personnel receive identified training and retraining appropriate to their position and tasks.

2) Awareness
All personnel are made aware of their legal obligations, personal responsibility, and contributions to HSE. These responsibilities and accountabilities for personnel are defined in the site procedures, individual job description or other related documents. Leaders make employees, supervised contractors, non-supervised contractors, and guests aware of the HSE risks to which they may be exposed, as well as the corresponding mitigating measures.

3) Communication
Sites and teams establish an effective communication process related to HSE that ensures that relevant information flows seamlessly both within the organization and with external stakeholders.

a) Internal communication covers elements such as regulations, objectives, performance metrics, risk assessments and risk controls, emergency response plans, training programs, awareness programs, incident reporting and investigations (see also 2.1.7 Improvement).

b) External communication ensures sharing of important information, such as HSE performance updates, emergency response plans, and ways to improve continuously. Accordingly, sites and teams have a designated spokesperson, who handles inquiries related to HSE topics from external parties to ensure clear and effective communication.

4) Documentation
The HSE commitment is outlined in the Bayer Code of Conduct, communicated to all employees, and made publicly accessible. Sites and teams have procedures outlining the steps and processes for an effective HSE management system (e.g., risk assessment, preventive/mitigation measures, incident reporting, emergency response, regular reviews). Records are kept that demonstrate compliance and track performance. Sites and teams have clearly documented roles and responsibilities. Within the HSE management system, an adequate document management system is implemented including a process for document control covering creation, modification, approval, revision, distribution, retrieval, and archiving of documents and records.

2.1.5 Operation

Sites and teams outline the processes and activities necessary to implement and maintain the HSE management system. This includes the following.

1) A hazard identification and HSE risk assessment are conducted for all existing routine and nonroutine work, use of new substances, new work processes, capital projects, divestments, mergers/acquisitions, and significant changes in organization or personnel. These assessments address the potential impact on humans, the organization, the environment, legal compliance, assets, and reputation. HSE aspects are also addressed prior to and during product and process design.

2) A documented process for eliminating hazards and reducing HSE risks is maintained through using the hierarchy of controls; this systematic approach prioritizes risk reduction methods based on effectiveness and appropriateness for the workplace.

3) Safety & Health programs and practices are in place to manage relevant safety and health aspects of work at Bayer and to assure compliance with workplace safety and health laws and regulations. Basic elements are:

a) Operating procedures: Sites and teams have operating procedures detailing the correct execution of tasks. These procedures are readily available in written form, especially when organizational measures are necessary to mitigate HSE risks. All documented operating procedures:
   I. Take HSE risk assessments into account and provide necessary safety information.
   II. Are available for all routine and foreseeable nonroutine tasks during all phases from startup to shut down, including emergency shutdown procedures.
   III. Are reviewed and updated on a regular basis and after changes.

b) Maintenance and inspections:
   I. A program for maintenance and regular inspection of facilities and technical equipment are in place.
   II. Established procedures prevent technical equipment undergoing maintenance or inspections from causing harm.
   III. Safe operation of equipment is checked and documented for all situations (e.g., regular inspections before use, after repair, etc.).

c) Housekeeping: Workplaces and equipment are kept clean, orderly, and free of clutter to prevent injury, illness, damage to assets, and contamination of the environment.

d) Effectiveness of Safety Measures: Safety measures are regularly maintained or renewed. Their availability for use and effectiveness are routinely verified before use. Adequate documentations are maintained where required. This applies to all safety measures covering emergency management (e.g. safety showers, eye wash stations, emergency exits, first-aid kits), local exhaust ventilation, personal protective equipment, handling and manipulation, waste management, product transportation, etc.

e) Permits for hazardous work: A program is in place for work requiring a "permit for hazardous work" and the level of approval. A work permit is issued in all cases of work with potential exposure to hazardous substances, electricity, moving equipment, radiation, heat, cold, "Hot work" (welding, grinding, etc.), work at height, work in confined space, work on safety-related equipment, heavy or difficult lifting work. These work permits define the required safety measures in writing.

f) Driver safety:
   I. Management ensures that employees driving vehicles for business purposes are made aware and are able to follow all safety rules and that all related risks have been mitigated.
   II. Company vehicles are only used in safe conditions.

g) Machinery safety: Machines and package units fulfill internationally accepted and state-of-the-art technical regulations, including an adequate safety concept regarding machinery-related hazards. Additional hazards that may occur due to used materials and their integration into the existing unit and processes are checked. Compliance with applicable external and internal requirements is verified before start-up. Periodic inspections ensure that machines and package units are free of defects at all times. Appropriate mitigation measures are defined and implemented. Safety devices may not be bypassed, removed, or modified without a formal management of change review.

h) Material Safety: Employees handling hazardous materials are informed before use about the physical, chemical, biological, and toxicological properties of the materials handled. The latest HSE data is accessible for all handled materials ensuring that associated HSE hazards are addressed, evaluated and measures are taken to mitigate risks for employees and the environment. Applicable rules and regulations (e.g. chemical legislation, transportation standards) for all materials are followed. Safety data sheets are provided for all raw materials, intermediates, products, maintenance and laboratory chemicals, utility chemicals, and fuels. All materials are labelled and marked as per local and international laws (i.e. containers, tanks, storage containers). Procedures based on risk assessment are applied to ensure incoming material align with the order placed.

i) Fire safety: A Fire Safety Concept is developed and documented for all buildings and units ("physical structures"). It is based on an assessment of the risks relating to fire, considering the probability of a fire occurring and the potential consequences. Appropriate measures are defined and implemented based on the assessment, company, and legal requirements, including structural fire protection, fire prevention and firefighting systems, procedures, and training of personnel. The availability and competence of internal and external emergency responders are considered.

j) Packaging safety, Transport safety, and Warehousing:
   I. Packaging:
   - Packaging material is selected for each individual material by consideration of material-specific classifications to ensure proper protection of people and the environment during all phases of use.
   - Aspects of usability, resource conservation, recycling, and product protection, as well as product stewardship requirements, are addressed in the selection of packaging material.
   - Materials with hazardous characteristics are labeled according to applicable regulations for storage and transportation.
   - Involved external partners are informed about specific classification of materials and are contracted to comply with packaging and labeling needs.
   - UN-certified packaging is used for regulated dangerous goods when required by applicable dangerous goods regulations.

   II. Transport safety:
   - All materials are transported and stored in accordance with all applicable regulations including a documented check.
   - Required transportation documents are available and checked. If required, persons creating and signing them are trained and certified to do so.
   - Procedures are in place to ensure the suitability of vehicles and carriers used for the transportation of goods.
   - Involved external partners are informed about specific classification of materials and are contracted to comply with specific material handling needs.
   - Drivers have the required licenses and are trained for proper handling and stowage of the goods being transported and for actions required in an emergency.
   - Powered industrial trucks (e.g., forklift trucks) are properly maintained, operated only by trained and authorized drivers, and must be protected against unauthorized use.

   II. Warehousing
   - The design and operation of warehouses consider relevant HSE aspects (e.g., material-specific classification, fire protection, security aspects, location and site factors, environmental impacts, etc.).
   - The selection of a warehouse location and/or warehouse provider takes logistical, safety, security, environmental, and economic aspects into account.
   - The requirements for warehousing follow applicable international, regional, and local regulations and standards.

k) Process and Plant Safety (PPS): The primary objective of PPS is to prevent unwanted releases of hazardous substances and/or energies into areas where people or the environment could be exposed to serious hazards, both on site and off site. In addition to the general HSE requirements, plants/units with PPS risks are required to implement the applicable PPS management system element(s):
   I. Organization and Personnel
   All employees working in affected plants/units are aware of the potential risks, the function and identification of PPS-related safety measures and their installations. All employees are aware about their PPS-related accountabilities and are qualified to fulfil their role and responsibilities.

   II. Identification and Evaluation of Hazards
   All PPS-relevant assets and processes are identified and designed so that safety risks are reduced to a level as low as reasonably practicable. Relevant safety information must be available to derive safety concepts and is the basis for the assessment. Systematic safety reviews and explosion safety risk assessments encompassing hazard identification, risk assessment, and identification of appropriate prevention and/or mitigation measures are

conducted in accordance with Bayer's risk acceptance criteria.
The identified prevention and/or mitigation measures are implemented, based on an operational concept. Risk assessments and implementation of measures are documented before start-up and regularly reviewed. Risk assessments are conducted by qualified PPS-Experts. For systematic safety reviews PPS-Experts are certified by the department responsible for PPS.

   III. Operational Control
An operational concept is in place, consisting of sound processes (steps, parameters, conditions) with appropriate controls (e.g. mechanical integrity life cycle management, process control technology, safe work practices).

   IV. Management of Change
The safety documentation is kept up to date. The management of change process (see paragraph 2.1.5 §5) is used for all temporary and permanent changes affecting all aspects of the safety concept (organizational, operational, prevention and mitigation).

   V. Planning for Emergencies
Process safety scenarios, that could potentially lead to catastrophic consequences in the event of complete or partial failure of preventive measures, are identified and specific emergency preparedness concepts are developed and practiced.

   VI. Monitoring Performance
Process Safety Incidents and significant near misses are analyzed with identification of underlying causes (root cause analysis). Performance is monitored by additional process safety relevant indicators.

   VII. Audit and Review
The implementation and effectiveness of a structured and systematical Process Safety Management System (PSM) is periodically assessed.

l)   Occupational Medicine: Occupational medicine focuses on the continuous prevention and early detection of workplace illnesses through comprehensive health assessment programs. These programs include mandatory and risk-based evaluations, process analysis, and monitoring. Additionally, occupational medicine involves illness reporting and management while rigorously adhering to ethical and privacy standards.

m) Occupational/Industrial Hygiene:
   I. Work-related hazards (chemical, physical, and biological) are identified, and related health risks are assessed.
   II. For in process and in the design phase of new manufacturing processes and facilities, exposure standards are ensured at all workplaces. Appropriate risk mitigation measures are defined.
   III. Employees are instructed and trained in hygiene measures and standards. These include the provision of potable water to all employees and appropriate amenity facilities.

n)   Biosafety: Risks associated with the exposure to biological hazards are identified and properly mitigated so that our employees, communities surrounding our facilities, and the environment are safe, and misuse of biological material is prevented.

o)   Health Promotion: All sites participate in activities that contribute to the overall health of employees, as a part of their risk-based occupational health program.

4) Environmental Management: All sites identify, evaluate, monitor, and document all relevant environmental aspects/ impacts and related environmental risks of all activities and/or operations. Environmental aspects include but are not limited to wastewater, air emissions, waste, noise and light emissions and pollution of soil, groundwater, or other media, as well as sustainable usage of resources.

Sites mitigate the identified environmental impacts and risks and ensure the management of the environmental impacts and risks following all applicable rules, regulations, and permits as well as internal and external commitments. Relevant deviations are reported through incident reporting.

All wastewater, waste-gas and waste streams are documented in an inventory regarding their composition, quantity, disposal route and emission control limits. (e.g., safe discharge limits for AIs/APIs in wastewater based on Bayer's external commitments). Waste management is in line with waste hierarchy principles considering the best available techniques, global regulations and legal requirements.

Measures are taken to prevent incidents and exceedances, including wastewater and waste streams. Third parties involved in environmental management are contracted and evaluated considering criteria of environmentally sound and compliant operations, final disposal of waste and documentation shall be ensured.

General principles for environmental management are adhered to, following these priorities:
   a. Avoid generation of waste / emissions
   b. Recycle where reasonably practicable
   c. Minimize waste/emissions that cannot be avoided or recycled

5) Management of Change procedures for planned, temporary and permanent modifications are implemented to minimize the introduction of new hazards and HSE risks in the work environments, ensuring that appropriate safety measures are safeguarded against unauthorized adjustments. These changes are in:
   a) Technology (e.g. processes, technical equipment, process parameters)
   b) Materials
   c) Building and other structures
   d) Procedures
   e) Organization
   f) Logistics
   g) Product transfer
   h) Investment projects
   i) Divestment projects

6) HSE Management of guests, contractors, and suppliers: HSE risks associated with the introduction of products, materials, equipment, and services in the workplace are assessed and mitigated. This process adheres to defined HSE requirements, encompassing the establishment and modifications of contracts with suppliers. It defines the HSE criteria for contractor/guest management, emphasizing hazard identification and control to manage risks arising from contractor's activities impacting site teams and other interested parties in the workplace. Specifically outsourced functions and processes are actively managed to ensure compliance with legal and other requirements, while also accomplishing the desired objectives of the HSE management system.

Additionally, sites and teams maintain a process for setting and amending contracts with suppliers to ensure their conformity to the site or team HSE requirements. They ensure that hazards are identified to assess and control the HSE risks arising from activities either from the contractors and/or site activities. Sites, teams, or entrusted 3rd parties evaluate suppliers by assessment or audit of their HSE management system and HSE performance. The results of those evaluations are factored into the supplier selection and management process. Bayer retains the right to terminate a supplier relationship in case of insufficient supplier HSE performance and no appropriate improvement is observed.

7) Emergency Preparedness and Response: Sites and if relevant teams, develop and maintain a plan to prepare for and respond to emergency situations. This plan addresses the management of emergencies and other incidents such as: fatalities, injuries, and medical emergencies (including pandemics), fire, explosion, release of hazardous material (including chemical, biological, radioactive), severe property damage, environmental incidents, severe technical failure (e.g. power outage), natural disasters.

The plan includes specific information and procedures:
   a) Assessment of required internal and external resources and assets, including their availability, capacity, capability, and response time for ensuring an adequate emergency response.
   b) Procedures for emergency response (ensuring 24/7 coverage including staffing requirements).
   c) Procedures for managing accidental release of hazardous chemicals and hazardous biological materials.
   d) An up-to-date inventory of hazardous substances and risk areas.
   e) Responsibilities assigned to specific individuals or positions.
   f) A list of personnel resources with adequate expertise and training.

g) Protection of responders, employees, guests, the public, and the environment.
h) Evacuation and shelter-in-place for employees and/or neighbors.
i) Procedures for internal and external communication and notification, covering:
   I. Notification to relevant authorities and communities
   II. Notification of senior management
   III. Adequate and timely response to media attention
j) Adequate maintenance and testing procedures for emergency-relevant technical equipment.
k) Business continuity plan according to different situation levels.

All employees, contractors, and guests are appropriately instructed in the actions to be taken in the event of an emergency. Requested safety information is shared with emergency responders in a timely manner. The emergency preparedness plans are reviewed and updated regularly, at least every three years or whenever there is a significant change in risk or personnel. Employees and other relevant stakeholders are informed about the parts of the emergency preparedness plan relevant to them. Sites conduct emergency response drills (e.g. firefighting/evacuation drills) to assess and improve the response effectiveness. If external responders are essential for emergency preparedness, joint emergency drills are conducted. The frequency of drills is defined and based on a risk assessment and at a minimum on the legal requirements. In addition, and depending on the identified risks, crisis management drills are conducted regularly (e.g. natural disasters, pandemic preparedness).

2.1.6 Performance Evaluation

1) Evaluation of Compliance

Sites and teams have documented processes in place to regularly identify, evaluate, and monitor applicable HSE requirements. If binding external rules and regulations go beyond or contradict Bayer HSE regulations, these rules and regulations take precedence.

2) Performance reporting

Globally standardized performance data enables Bayer to fulfill its HSE reporting obligations. Reporting forms the basis for providing consistent and reliable information to our internal and external stakeholders. Sites enter their HSE performance data into a global HSE Management System at regular intervals. This data is the basis for management reviews, employee information, and external nonfinancial performance reporting. Employees are regularly informed of relevant HSE performance and analyses as appropriate.

3) Audit and Self-Assessment

HSE audits are important components of Bayer's risk management and license to operate and serve to proactively manage and mitigate potential HSE risks, ensure compliance with applicable HSE regulations and improve HSE performance worldwide. They are conducted at planned intervals to provide information on whether the HSE management system:

a) Conforms to internal and other applicable HSE requirements, including this policy and objectives.
b) Is effectively implemented and maintained.

Sites and teams are covered by global HSE audit programs following a risk-based approach. These audit programs are planned, implemented, and documented. These programs outline the responsibilities, methods, frequencies, criteria, scope, and audit reporting requirements. HSE audits are conducted by appropriately qualified and sufficiently independent auditors to ensure objectivity and the impartiality of the audit process. Audit results are documented and reported to relevant management and, where existing, workers´ councils. The audited sites or teams are responsible for defining and implementing appropriate corrective actions for non-conformities and for regularly reporting on the implementation status. Sites and teams carry out internal HSE audits or self-assessments at appropriate and defined intervals. These audits or self- assessments are planned, conducted, documented, and followed up on adequately.

4) Management Review

Site and team management conduct a management review to evaluate suitability, adequacy, and effectiveness of their HSE management systems. Sites and teams determine when and how management reviews are addressed, ensuring that in the course of one year the following points are reviewed:

a. Actions from previous management reviews

b. Changes in external and internal issues relevant to the HSE Management System including
    I. Legal requirements and other requirements
    II. Needs and expectations of stakeholders
    III. Significant HSE aspects
c. Risks and opportunities
d. Extent to which HSE policy, objectives, and programs have been met
e. Information on HSE performance including
    I. Incidents, nonconformities, corrective actions and continual improvement
    II. Monitoring and measurement results
    III. Results of evaluation of compliance with legal requirements and other requirements
    IV. Audit and assessment results
    V. Consultation and participation of employees
    VI. Risk assessments and HSE reviews
f. Relevant communication with stakeholders, including requests and complaints by authorities, the public and employees
g. Adequacy of resources for maintaining an effective HSE management system
h. Opportunities for continual improvement

The outcomes of the HSE management review are documented. Management communicates the relevant outputs of the HSE Management review to employees and, where existing, to workers´ representatives.

2.1.7 Improvement
Sites and teams identify opportunities for improvement and implement actions to achieve the intended outcomes of the HSE management system.

Therefore, all sites and teams have documented processes and/or procedures to ensure the adequate management of incidents and non-nonconformities by:

a. Encouraging employees to report incidents and nonconformities in a timely manner in alignment with the Safety Performance Reporting procedure.
b. Ensuring a timely and adequate response to protect people and the environment.
c. Reviewing nonconformities and investigating incidents, especially those which have a high severity potential, with identification of root causes.
d. Taking actions according to the hierarchy of controls approach to avoid recurrence.
e. Monitoring the effectiveness of actions.
f. Communicating relevant lessons with the organization as appropriate.
g. Ensuring proper documentation regarding the reporting of nonconformities and incidents, the review of nonconformities and investigation of incidents, as well as actions taken.

Sites and teams continually improve the HSE management system's suitability, adequacy, and effectiveness to improve HSE performance. Therefore, they promote the participation of employees in suggesting opportunities for improving HSE performance and processes, and in implementing actions. Employee suggestions are recorded and addressed, and the outcomes are communicated to them in a timely manner.

3 Implementation Measures & Training

While leaders hold responsibility for implementation, all HSE employees serve as ambassadors by communicating this policy to ensure widespread awareness and adherence. Training material is available for use at the local level. Sites and teams use assessment documents to identify gaps in their current HSE Management System. Implementation plans are developed by them and carried out to close the gaps. Implementation phase is complete 6 months after the effective date, giving sites and teams time to complete their plans.

4   About the Regulation

4.1 Review

This policy will be reviewed at least once every three years or as necessary to incorporate pertinent updates.

4.2 References

1. German Supply Chain Due Diligence Act (SCDDA) of July 2021. Division 1, Section 2 (2) No. 5 a-d (Occupational Safety and Health); Section 2 (2) No. 9 a-d (Environmental protection); Section 2 (3) No. 1-8 (Environmental related risks linked to Mercury, Persistent Organic Pollutants and Waste) obligations
2. ILC.110-2022 Framework of Fundamental Principles and Rights at Work
a) ILO Promotional Framework for Occupational Safety & Health Convention No.187
b) Occupational Safety and Health Convention No. 155
3. International Standards (ISO 14001, ISO 45001)

4.3 Approval

The global ESG Management System and Reporting Lead will approve of this policy.