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News Release

Annual Stockholders' Meeting April 28, 2023

Explanations to the Supervisory Board Report

Prof. Dr. Norbert Winkeljohann,

Chairman of the Supervisory Board of Bayer AG

(Please check against delivery)

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Ladies and Gentlemen,

Werner Baumann has given you an extensive overview of fiscal 2022 and the company's prospects.

Mr. Baumann, thank you for your detailed and compelling remarks.

Dear stockholders, ladies and gentlemen,

I would now like to deliver the Report of the Supervisory Board, which is part of Agenda Item 1 of today's Annual Stockholders' Meeting. You will find the Report of the Supervisory Board on pages 13 to 22 of the Annual Report.

Before I address the focal points of the work of the Supervisory Board, I would like to highlight some individual aspects that had a special impact on the Board's work last year.

Firstly, the Supervisory Board and particularly the Human Resources and Compensation Committee dealt very intensively with CEO succession planning in the second half of 2022 and the first few weeks of this year.

Secondly, the Supervisory Board and the Human Resources and Compensation Committee scrutinized the Board of Management's compensation and how it is reported on. I will address both aspects in detail in a moment.

Finally, the work of the Supervisory Board was also shaped by several personnel changes. Six employee representatives, some of whom were long-serving members, have stepped down from the Supervisory Board since last year's Annual Stockholders' Meeting. There was also one personnel change among the stockholder representatives. To ensure the necessary degree of continuity in the work of the Supervisory Board notwithstanding these changes, the Supervisory Board has proposed to today's Annual Stockholders' Meeting the reelection of two currently serving Supervisory Board members. I will talk about these proposals in more detail later on.

In terms of topics, the work of the Supervisory Board focused last year on the themes I highlighted at the 2022 Annual Stockholders' Meeting. These focal points were:

1. Helping the Board of Management increase the company's value.
2. Overseeing the work of the Board of Management's efforts to continue Bayer's transformation into an integrated life science company.
3. Further intensive oversight of the glyphosate litigations.
4. Reviewing the Board of Management's compensation system while also taking into account investors' criticism and suggestions regarding the compensation report.
5. Strengthening the Supervisory Board's digital expertise to intensively oversee the company's further digitalization.

Two additional topics resulted from current developments:

- The intensive focus on the effects the war in Ukraine is having on the employees and on business activities in Ukraine and Russia – and
- The decision on CEO succession.

I would like to talk about some of these points in more detail shortly.

Ladies and gentlemen,

the Supervisory Board convened for 13 meetings last year. This large number was due partly to exceptional developments. To some extent, however, it was also attributable to the fact that it was only possible to hold some of the meetings in virtual form. Due to the pandemic situation at the time, some virtual meetings were then divided into two half-day sessions due to the different time zones in which the Supervisory Board members live.

In between the meetings of the Supervisory Board, I was in regular and close contact with the CEO, Werner Baumann, as well as with other members of the Board of Management and further company executives.

Now let us take a look at the focal points I just mentioned.

The Supervisory Board dealt with Bayer's continued transformation into an integrated life science company – including in connection with several corporate transactions.

- These included the sale of the Crop Science Division's Environmental Science Professional business and the divestment of Nebido, a replacement therapy with long-acting, injectable testosterone.

- The Supervisory Board also approved the purchase of Natsana, a leading supplier of high-quality nutritional supplements.
- In addition, the Supervisory Board approved the acquisition of a majority interest in CoverCress, an agricultural technology company that has developed a novel winter oilseed crop, and the option to fully acquire that company at a later date.

With these transactions, Bayer continues to consistently implement its life science strategy by making targeted portfolio adjustments.

The Supervisory Board and several of its committees were also intensively involved in the glyphosate litigations as well as other major litigations, particularly PCBs, in 2022.

As you know, after detailed deliberations in several meetings, the Supervisory Board approved a five-point plan in 2021 with which Bayer aims to resolve the glyphosate issue. The Supervisory Board continued to receive detailed reports on the implementation of this plan in 2022.

The Supervisory Board also received in-depth reports on the PCB litigations on numerous occasions, and approved a settlement with the US state of Oregon.

The Supervisory Board discussed the assessment of the status and development of the litigations together with its independent legal advisor, John H. Beisner. The discussion focused on the results of a legal review of the appropriateness of the due diligence carried out prior to the Monsanto acquisition in connection with the legal risks pertaining to PCBs. This legal review came to the conclusion that the due diligence was appropriate and the Board of Management had upheld its duty of care in every respect.

We are convinced that our five-point plan presents a clear path for resolving the glyphosate litigations in the United States. This confidence is backed up by six consecutive trial victories. We have also confirmed the appropriateness of the company's defense strategy as regards the PCB litigations.

I would now like to move onto our review of the Board of Management compensation system, which we conducted while taking into account investor criticism and suggestions concerning the compensation report.

The compensation system for the Board of Management is aligned to Bayer's long-term development. It is closely based on our strategy and the attainment of our targets, and directly links management compensation with the company's success. At the 2020 Annual Stockholders' Meeting, 94 percent of the stockholders approved the new compensation system for the Board of Management.

The 2021 compensation report based on this compensation system was endorsed by only 24 percent of our investors at the 2022 Annual Stockholders' Meeting. The Supervisory Board then took action in response.

During extensive discussions with our stockholders, it became evident that the criticism was mainly directed at the compensation reporting and the implementation of the existing compensation system, and not at the compensation system itself. In the discussions, various investors pointed out that, in view of the upcoming change in CEO, adjustments to our compensation system as a whole – such as the selection of key indicators and the design of the payout curve – should be presented to the 2024 Annual Stockholders' Meeting for a vote as scheduled.

We therefore decided not to immediately revise the compensation system last year, and instead plan to do so now in preparation for the 2024 Annual Stockholders' Meeting. During this process, we will hold further discussions with our investors to obtain feedback for the future compensation system.

In response to the disappointing voting results for the 2021 compensation report, we accepted numerous suggestions to further improve our compensation practices and transparency. In 2022, the Supervisory Board reduced the individual performance factor for the Chairman of the Board of Management by 14 percentage points to 95 percent of the target due to the feedback from stockholders. In addition, we adjusted our compensation timeframes and targets to ensure that they correspond with the targets and timeframes specified and communicated in our capital market forecast. We also provided greater transparency around how ambitious our targets are and what factors they take into account.

We defined and disclosed a framework for KPI adjustments. Furthermore, we additionally transferred responsibility for compensation to our Human Resources Committee – which is called the Human Resources and Compensation Committee since December– and

expanded it by two additional members. The new committee members are the Vice Chairwoman of the Supervisory Board and the Chairman of the Audit Committee. Furthermore, we strengthened interaction between the Human Resources and Compensation Committee and other committees, such as the Audit Committee and the ESG Committee.

The results of the short-term variable compensation STI for the 2022 business year reflect the good performance of Crop Science and Consumer Health, while the environment was more challenging for the Pharmaceuticals Division. Overall, core earnings per share significantly exceeded the target last year. Free cash flow was in line with the forecast but did not meet the stretched target that had been set beforehand. These developments negatively impacted the measurement of the STI.

While the individual performance of our Board of Management members was good with respect to our most important targets, the Supervisory Board – as already mentioned – reduced the CEO's individual STI performance factor by 14 percentage points in response to the feedback we received in our discussions with stockholders. Ultimately, this meant that the CEO attained an STI of 117 percent and the Board of Management an average STI of 129.5 percent, representing a considerable decline compared with the average of 175.5 percent in 2021.

Bayer's stock performed well in 2022 in both relative and absolute terms. However, due to the below-average performance overall over the four-year performance period for our long-term variable bonus LTI, the payment was only 62 percent of the originally allocated figure – up from 32 percent in 2021 but nonetheless below target.

Together with the STI payout, the average direct compensation awarded to the Board of Management in 2022 amounted to 87 percent of target direct compensation, compared with 92 percent in 2021.

As you can see, ladies and gentlemen, the compensation system adopted by the Annual Stockholders' Meeting is heavily dependent on performance. Short-term developments – and to an even greater extent long-term developments – are accounted for in the system and, in our opinion, thus reflect the interests of our stockholders very well. Nonetheless, we will thoroughly review the compensation system, as mentioned, by next year's Annual

Stockholders' Meeting. This includes the question of accounting for extraordinary effects, such as special charges due to litigations, when calculating compensation.

Now I would like to talk about CEO succession.

As Werner Baumann's contract as Chairman of the Board of Management was set to end in 2024, the Supervisory Board and especially its Human Resources and Compensation Committee dealt intensively with succession planning from the middle of last year and conducted a comprehensive selection process. In February 2023, the Supervisory Board unanimously appointed Bill Anderson – whom I introduced to you already at the beginning of the Annual Stockholders' Meeting – as CEO and Chairman of the Board of Management of Bayer effective June 1, 2023. Bill Anderson has already been a member of the company's Board of Management since April 1, 2023. He was unanimously elected by all members of the Supervisory Board. Bill Anderson and Werner Baumann already began their trustful collaboration some weeks ago to ensure a smooth transition.

Bill Anderson has held various leadership positions at life science companies over the past 25 years. Most recently, he served as CEO of Roche's pharmaceuticals division, where he successfully oversaw a comprehensive transformation program that led to numerous successful product launches, significant revenue growth and greater productivity across the entire organization.

We are pleased to welcome Bill Anderson to our company and will support him in realizing Bayer's full potential and creating sustainable value for our stockholders, farmers, patients, consumers, employees and all of the company's stakeholders.

Ladies and gentlemen,

The Audit Committee and the Supervisory Board extensively discussed and examined the annual financial statements of Bayer AG, the consolidated financial statements for the Group, the combined management report and the audit reports by the external auditor for fiscal 2022. There were no objections, and we therefore concurred with the result of the external audit.

We are in agreement with the combined management report and, in particular, with the assessment of the future development of the enterprise.

The same applies to the proposed dividend. The Supervisory Board has assented to the proposal by the Board of Management for the use of the distributable profit, which provides for payment of a dividend of 2.40 euros per share.

As explained by Mr. Baumann, ladies and gentlemen, your company – Bayer AG – has presented very encouraging business data for 2022 and also made substantial progress in other major areas, such as the development of new products.

On behalf of the Supervisory Board – and I am sure on your behalf as well – I would like to thank the members of the Board of Management and the entire workforce for their hard work. I would also like to explicitly express my gratitude for their tremendous dedication in the face of challenging conditions brought on by the COVID-19 pandemic and the ongoing war between Russia and Ukraine.

Ladies and gentlemen, that concludes the Report of the Supervisory Board.

[The planned presentation of the candidates for election to the Supervisory Board does not form part of the explanations to the Supervisory Board Report and is not reproduced here.]

Ladies and gentlemen,

I would like to close with a summary of what the work of the Supervisory Board of Bayer AG will focus on in the coming 12 months. The Supervisory Board will focus particularly on the following six priority areas:

1. Successful CEO succession process
2. Embarking on a new era in Bayer's history
3. Increasing Bayer's company value
4. Boosting efficiency within the company by expanding digital expertise and utilizing artificial intelligence
5. Advancing solutions to litigations at Bayer

6. Revising the compensation system for the Board of Management. On that point, we will hold intensive discussions with investors. Without wishing to preempt the outcome of those talks, the selection of appropriate KPIs for the short-term incentive will likely be an important aspect, as will the question of how to account for extraordinary developments. Furthermore, it is already clear that a revised compensation system will no longer encompass defined benefit commitments for pension entitlements that up until 2016 had been awarded in legacy cases.

Dear stockholders,

I am firmly convinced that these six priority areas are key elements of our targeted efforts to support Bayer's further transformation. The Supervisory Board and I personally will closely oversee and accompany them. We look forward to our continued dialogue with you. Thank you.

Forward-Looking Statements

This release may contain forward-looking statements based on current assumptions and forecasts made by Bayer management. Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of the company and the estimates given here. These factors include those discussed in Bayer's public reports which are available on the Bayer website at www.bayer.com. The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.