

Bayer AG – Investor Relations
Investor Conference Call:
Bayer 2030 Sustainable Development Objectives
10 December 2019

Welcome

Oliver Maier

Head of Investor Relations, Bayer AG

Good afternoon and thanks everybody for joining us today. I would like to welcome all of you to our ESG conference call to introduce and discuss our 2030 Sustainable Development Objectives. With me on the call today are Werner Baumann, our CEO, and Matthias Berninger, our Head of Public Affairs and Sustainability. Our belief is that a strong ESG proposition can create long-term value. Just as ESG is an inextricable part of how to do business, its individual elements themselves intertwined. Thinking and acting on ESG in a proactive way has lately become even more pressing.

So, therefore, Werner will open today's call with an overview of the journey that we have embarked on so far in sustainability and where we stand today, with a clear ambition of stepping up our engagement. Matthias will share details about our 2030 commitments as well as initiated programmes, before Werner will close the presentation by covering the governance aspects around sustainability, and we will then open up for the Q&A. For the Q&A, I would like to remind everyone to please limit your questions to two per person to allow everybody to address as many questions and to cover as many participants as possible within the scheduled time of about approximately one hour.

So, with that, as always I would like to start with the disclaimer and draw your attention to the cautionary language that is included in our safe harbour statement here, as well as in all the materials that we have distributed today.

[See disclaimer](#)

With that, I'll hand it over to you, Werner. The floor is yours.

Werner Baumann

Chief Executive Officer, Bayer AG

All right, thanks Oliver and good afternoon, ladies and gentlemen. It is my pleasure to welcome you to our conference call today. Bayer has been driving science and innovation for actually more than a century and has always cared about sustainability. In recent years, our focus has been on transforming our portfolio in health and agriculture to meet the challenges of the 21st century. Some

of you may remember that about a year ago at our Capital Markets Day in 2018 we talked about sustainability as one of our value levers. We expressed our commitment to be a responsible leader in that area, driving change in a sustainable manner. We have used the time since then to listen to many of our stakeholders and to define what we really mean by that. We have now developed a comprehensive strategy for sustainable development into 2030, consistent with the timeframe of the United Nations' Sustainable Development Goals, all with a strong ESG team on board. We are raising the bar for Bayer and want to lead by example. We are committed to have a positive impact on society and the planet, going hand in hand with delivering strong financial performance.

All of us at the Board of Management are convinced that we are heading in the right direction. Having carefully listened to your feedback also throughout this year, I will take personal responsibility to ensure that we deliver on our Group-wide sustainability commitments and efforts going forward. The team, under Matthias Berninger's leadership, has developed an integrated approach, together with all business areas involved. We have set the frame with measurable targets; we have an assessment of the impact we will generate; and we are clear about our responsibilities. It now will be about executing our plans and measuring our progress step by step.

We command leading positions in our three businesses, a strong R&D platform, enviable positions in emerging markets and world-known household brands that families have trusted for many decades or even more than a century, with Aspirin. We think this scope and scale creates an incredible opportunity for us to make a difference, to contribute to solving the world's challenges and a responsibility for us to act, acknowledging that our industries are both part of the problem but also part of the solution. By combining the strength of our Crop Science, Pharmaceuticals and Consumer Health divisions, we want to spark a systematic response to the complex challenges the world is facing.

We have the ambition to generate impact and scale and unlock our potential to drive sustainable development around the world all while creating new opportunities for our business in the long run. Today we already reach more than 1 billion people globally through our products and services, and now we will step up our efforts substantially for more inclusive growth. This marks a significant change for Bayer. Financial returns remain critical to our investors and to us, as they are both the precondition and the result of really sustainable operations going forward. We aim to achieve long-term returns by making sustainability an integral part of our strategy and operations.

Society's expectations towards businesses have changed, and we understand that the size and impact of our business go hand in hand with a heightened responsibility for transparency and engagement. Therefore, we are also upgrading our engagement policy. The targets we have set for ourselves are ambitious, and we align our compensation systems accordingly to incentivise the entire organisation, just as we do this with financial targets. Also, top-level attention is warranted, with Board of Management in charge and the Supervisory Board's oversight in place.

Let me explain what has caused this step-up at Bayer and called for our action. For half a century, humanity has been consuming and emitting more than nature can recreate at the same time. As all of you know, climate change, water scarcity and loss of biodiversity are among the most pressing challenges we face today. At the same time, the world population continues to grow and we face an ageing population with higher healthcare needs. Poverty, inequality, curable diseases and hunger remain pressing challenges for societies, and some of these are even worsening in some parts of the world.

The United Nations' 17 Sustainable Development Goals set out the path for helping people thrive within the planet's environmental boundaries by 2030. With only 10 years left, it is clear that urgent and more rapid progress is needed. Today our transformed portfolio and the scale of our business create both an opportunity and a responsibility for us to act. Our leading positions in health and nutrition allow us to make a significant contribution to finding solutions to those needs. The sustainability targets we set ourselves for 2030 have been specified during the course of this year and, on the Group level, look as follows.

We are committed to delivering the following by 2030, in close alignment with the United Nations' Sustainable Development Goals. As the market leader in agriculture, we are committed to enabling 100 million smallholder farmers in low and middle-income countries by 2030. In this way, we want to help increase local food supply and reduce poverty in rural communities. With innovative products and new business models, we want to give them better choices, improve their livelihoods and provide them with solutions to grow crops more sustainably, to increase their yields and their incomes.

As the leading women's health company, our goal is to provide 100 million women in low and middle-income countries with access to modern contraception by 2030. In doing so, we want to improve women's health, rights and economic status as a large step towards increasing gender equality. At the same time, we want to increase the availability and affordability of our products for all. Therefore, we will adapt our pricing policy towards local purchasing power and strengthen our patient access programmes.

As the leading Consumer Health company, we will expand access to everyday health for about 100 million people in under-served communities around the world by 2030. Our world-known household brands will drive this ambition. We will increase the availability and affordability of our trusted, high-quality brands around the world and support self-care education initiatives that form the basis for shaping behavioural change.

Climate change is the single largest threat for sustainable development according to the United Nations. It is also a risk to our business. Without greater action, global temperatures will rise by significantly more than two degrees Celsius and threaten communities and the environment. At Bayer, we aim to reduce greenhouse-gas emissions within our business and along our value chain in line with the requirements of the Paris Agreement by making our own operations carbon-neutral by 2030 and by working with our suppliers. The investments we will make throughout the next years into these programmes are in line with our 2022 financial targets.

Matthias Berninger, our Head of Public Affairs and Sustainability, will now take you through the details. With that, I hand it over to you, Matthias.

Matthias Berninger

Head of Public Affairs and Sustainability, Bayer AG

Thank you very much, Werner. Good day from myself as well. Smallholder farmers are absolutely vital to the food supply in low and middle-income countries. Smallholder farmers provide in some regions up to 80% of the food supply, for example in Asia and sub-Saharan Africa. And yet malnutrition, stunting and wasting are still major issues for those countries. Many of those countries are also food importers.

There are about half a billion smallholder farmers globally, and many of those households are extremely poor. Productivity is comparably low as many of those farmers still lack access to finance, to good agricultural practice, to modern agricultural inputs and access to the global food chain. Also, smallholders are highly vulnerable to the extreme weather conditions and crop losses that go hand in hand with climate change.

We believe that with access to the right inputs, access to knowledge about good agricultural practices, smallholder farmers' yields can be significantly improved both in terms of quality and quantity. And better yields will result in higher incomes. Increased household food security and higher household income can be achieved and will be key to tackle poverty in rural areas around the world. At Bayer, we are committed to supporting 100 million smallholder farmers in low and middle-income countries by 2030.

This is a really daunting challenge in our minds, and I believe that this objective is the most complex challenge we have to solve as part of our sustainability strategy. We do have a solid footprint and really good experience of what works and what doesn't make that happen. We will provide smallholder farmers with solutions to grow crops more sustainably, increase their yields and also hope that they will have increased incomes.

Access to quality seeds and crop protection as well as knowledge about good agricultural practice are absolutely central elements for increased smallholder productivity. We are committed to provide that access to farmers and also to partner with many others. We want to help facilitate access to finance, to crop insurance as well as better connectivity to local food chains, wherever that is needed. As I said, we won't do this alone but in partnership with both public and private organisations, and we also want to do that harnessing the experience from local organisations on the ground. This way, we can address smallholder needs holistically and in a broad coalition. We believe that our commitment will help to increase local food production, improve livelihoods and, most importantly, help the world to achieve their goal to increase productivity globally. And poverty is still a challenge mostly embedded in rural communities.

With regard to our second goal, it has always been a clear point, but it can't be said often enough: women play a pivotal role in our societies. Around the world, gender equality is an important driver of economic and social development. Gender inequality is still very high, though. Teenage pregnancy and maternal death are serious health concerns, especially in low and middle-income countries. For women, sexual education and family planning are therefore central to their health. Also, it can give them greater autonomy over their lives, which will have a very positive ripple effect on their families and communities.

And yet more than 200 million women around the world, especially in low and middle-income countries, have no access to modern contraception. And this number is bound to grow significantly without further action. As the leading women's health company, we have been engaged in family planning for many years and are today already reaching [40] million women in low and middle-income countries. We have longstanding collaborations with organisations like USAID and are one of the most important suppliers of hormonal contraceptives to the UN World Population Fund. Also, we do collaborate closely with NGOs like the Bill & Melinda Gates Foundation or the Bill & Melinda Gates Institute for Population and Reproductive Health at the Johns Hopkins University to increase awareness and support for family-planning programmes.

In 2020, there will be the Beijing+25 UN women's conference, which marks the 25th anniversary of the first UN women conference in the world. We are now able to contribute to that by significantly

stepping up our engagement to more than double the reach of our programmes by 2030. Our goal is to provide 100 million women in low and middle-income countries with access to modern contraception. We will not only provide access to affordable modern contraceptives but also advance the area of long-acting reversible methods, where we will add further options to the currently existing method mix, meeting the yet unsatisfied demand and increasing choice for women. This includes our Jadelle implants but also our Mirena inter-uterine devices.

Today, family planning is still largely dependent on international donor-funded aid, and it is often also subject to political debate. Both are unsustainable. Where we sell our products to donor-dependent markets, we will reinvest any profit into awareness programmes and training. Together with other stakeholders in the family-planning ecosystem and as part of a long-term concerted effort, we aim at increasing countries' self-reliance in finding ways to build donor-independent markets, which we do see as a future business opportunity. Strong partnership programmes will continue to increase awareness, apply best-practice knowledge and, most importantly, achieve impact at scale.

By providing 100 million women in low and middle-income countries with access to modern contraception, we want to improve women's health; we want to help them to be able to live in a world with equal rights; and we want to help them to lift their economic status. All of that is a large step forwards towards increasing gender equality.

The third topic I want to share with you is that we want to bring everyday health to 100 million people in under-served communities. Around the world – this is also true for rich countries – health systems are under unsustainable pressure. An ageing population, an increasing number of lifestyle-related diseases and rising costs are inhibiting healthcare access for more and more people while leaving the world's under-served communities behind and here, again, leaving especially women and children behind.

Expanding access to self-care solutions doesn't just help tomorrow's patients to prevent disease. It builds a healthier future for the next generation, lowers costs and offers a healthcare lifeline to communities where self-care often is the only option. Today, at least half of the world's population still lacks access to essential health services, which includes self-care. This is why we have committed ourselves to expand access in that area to 100 million people in under-served communities by 2030.

And we are starting from a solid base here. With an initial focus on women's health and on expanding access to micronutrients for pregnant women and children, we will further increase the availability and affordability of our trusted and high-quality brands around the world, and we will support our self-care initiatives that drive behavioural change. Also, we will empower consumers with reliable information and tools to enable them to manage their own health much better. Partnership programmes are essential here as well, because they will help us to achieve impact at scale and apply best-practice knowledge.

Our sustainability efforts go, of course, beyond the access commitments to help people thrive. We help in that area, but we are also aiming to preserve nature's boundaries to the extent possible. At Bayer, we are taking several steps to reduce greenhouse-gas emissions in our business and, which is important also, along our value chain. That is in line with the requirements of the Paris Agreement.

We will make our own operations carbon-neutral by 2030 through energy-efficiencies, a bold shift to renewable energy and a commitment to offsetting the remaining emissions. We have already

committed to setting ourselves science-based targets and are listed as one of the companies taking actions in the Science Based Targets initiative. In this regard, we are striving for absolute emission reductions in our own operations and along our value chain by engaging with our suppliers. We are confident to complete the official target validations and target-setting process by next year, and ultimately we believe that, with this commitment to a carbon-neutral approach and a significant reduction of our emissions in the supply chain, we can make a valuable contribution.

Looking at the emissions in the extended value chain, the biggest lever for greenhouse-gas reductions results, in our case, at farmer level within the in-field crop production. Here, we have already committed ourselves to reduce the greenhouse-gas footprint of crop-production systems where our products are in use by 30%. And this commitment is also one we want to achieve by 2030. This is actually a large lever, considering the size and the magnitude of agriculture-related in-field emissions. We are also helping to develop new climate-resilient solutions that help farmers around the world to adapt to extreme weather events, which can include drought, storms and of course also flooding.

At Bayer, we do have a vision for a future marketplace in which farmers will be rewarded for capturing carbon and at the same time increasing biodiversity. This of course is an idea at this stage, but we need a bit of time to conceptually make that evolve and establish this new marketplace. But to ultimately protect climate and biodiversity, we will proactively support farmers to develop such a marketplace and turning a global challenge – and that is the challenge of too much carbon in the atmosphere – into a business opportunity from which both the environment and farmers will be able to benefit.

Now, I've talked a lot about women in the topics before, and we do believe that women are absolutely the focus when we talk about accelerating sustainable development in low and middle-income countries. Letting more people thrive within planetary boundaries is a complex challenge that requires systemic approaches. These four that we've just mentioned are challenges that are closely interrelated. The sustainable development of low and middle-income countries, especially in rural areas, is essential to let more people thrive and decrease inequalities. Health and nutrition are the crucial factors in this equation. Enough food and a balanced diet are key for human health. Health in turn is a major prerequisite for people to realise their human capital. Smallholders are essential to produce food in sufficient quality and quantity. They should no longer be at the side lines of our business. Also, their productivity and income are essential for the development of rural areas and low and middle-income countries.

According to the Food and Agriculture Organization, women are the quiet drivers of change towards a more sustainable agriculture food production, and they're also key to more healthy and varied diets. Today, more than 43% of the whole agriculture labour force in development countries is comprised of women. Women farmers should have the same access to productive resources as men. They could increase the yields on their farms faster than men, if they get that access, and we believe that a yield increase of 20% to 30% is possible for women farmers, and that alone would be leading to lifting 100 million to 150 million people out of poverty and hunger. Still, however, early pregnancies do impair women's health and personal freedom of choice in low and middle-income countries. That is why access to family planning is a very effective means to empower women in rural areas.

Climate change is a major threat to sustainable development. It affects populations in all parts of the world, but most severely those in low and middle-income countries, where the effects on their livelihoods are reaching the lives of hundreds of millions in a severe fashion. By combining the strengths of our businesses, we want to activate a systemic response which goes beyond providing greater access to our products. It also includes education and training and partnerships with many

others. We believe that it takes a huge network of partners of both governmental and non-governmental organisations and partnerships across businesses to make that happen.

But we also believe that our innovation, which includes digital technologies, will be a major enabler to make that happen, and we believe that our focus on all of that activities can have a major impact on many people who are currently in the focus of the global goals on sustainable development.

With that, I would like to hand it over to Werner again for his explanation on our sustainability governance and upcoming roadmap.

Werner Baumann

All right, thanks, Matthias. Not only will our Group commitments lead the way to 2030, but we will also approach our sustainability governance with even more rigour than before. In terms of processes, we will roll out the targets to our divisions, individual segments and regions as well as countries. We have regularly monitoring in place and will report annually on our sustainability achievements against clear, defined targets. As the targets are measurable and auditable KPIs, we will provide you with yearly milestones as part of our full-year financial and non-financial outlook.

In terms of risk assessment, sustainability and reputational risks form part of our internal risk-management system and are therefore regularly screened and discussed in our risk committee, chaired by our CFO, Wolfgang Nickl. A qualitative assessment of damages based on criteria such as the impact on our strategy or reputation, the potential loss of stakeholder confidence and potential non-compliance with sustainability principles, e.g. in the area of health and safety, environmental protection or human rights.

By now, a comprehensive set of enhanced principles for societal engagement apply at Bayer. The so-called "Bayer Societal Engagement" or BASE principles are intended to guide us in our interactions with all stakeholders going forward. This does not mean that our company stakeholder engagement has fallen short in the past, but, as one of the leading companies in our industries, we also want to lead in this field.

Earlier this year, we announced the intention to establish an independent Sustainability Council, which will provide advice to the Board of Management in all sustainability matters. The council will bring an outside perspective to our strategy, portfolio and pipeline. It will provide input on the allocation of our innovation budget and suggestions to increase leverage towards the United Nations' Sustainable Development Goals. We expect the Sustainability Council to be in place in the course of the coming year.

In October, Ertharin Cousin was appointed to the Supervisory Board. She brings to the Board the support it was aiming for in view of the growing significance of our Crop Science business and sustainability challenges. Her exceptional experience in the area of nutrition, public policy and the United Nations makes her an ideal addition to our Supervisory Board.

A cross-divisional ESG team is already in place to evaluate joint approaches and leverage divisional synergies to unlock our full potential in the area of sustainability. Most importantly, we decided to

include sustainability targets into the incentives of our managerial employees following the approach the Supervisory Board intends to take towards the remuneration of Bayer's Board Members.

We will follow a staggered approach in this regard. In 2020, we will include qualitative sustainability targets into the compensation scheme as we implement our upgraded strategy throughout next year. From 2021 on, we will then include quantitative targets.

So, what does our roadmap for the next years look like? 2020 will be the year of strategy implementation. With today's announcement, we are launching the strategy we will initiate, where we have not actually already started, our programmes. As I said before, for us, our step up in engagement is not about having strategic agendas in place; it will be about execution, which will be further informed by our learnings along the way and our achievement and contribution to the Sustainable Development Goals in the very end.

Next year, we will work out the detailed roadmap through 2030, with business model approaches, meaningful milestones and specific science-based measurable targets that we will hold ourselves accountable to. We have already approached partners of choice and established key partnerships early on. We will keep you posted on major developments next year, for instance at our Capital Markets Day in June.

And it is clear, urgent progress is needed with only 10 years left to meet the Sustainable Development Goals objectives. Our undertaking is actually very ambitious and not without challenges. But I'm convinced that we can make it. We have to set impossible goals to reach the possible, and to make this world a better place to live is worth every effort. We want and need to be part of an intensive dialogue with all stakeholders. We welcome your feedback as investors and invite you to engage with us and others to jointly drive our commitment to sustainable business and sustainable, inclusive development, to have more people thrive within our planet's natural boundaries.

With that, let me hand it back to Oliver for the Q&A.

Questions and Answers

François Humbert, Generali Group

I have a question regarding the Sustainability Council. Thanks for the very clear objectives that you set. My question is: how will the Sustainability Council affect these three objectives or further objectives in the future? Thank you.

Matthias Berninger

Thank you very much, François. The Sustainability Council will work directly with Werner Baumann. And we see three major roles for this international group. We will have experts from around the world: first, to work with us on the target-setting and help us to really kind of achieve those targets; secondly, to help the Group to understand new trends in the area. We are on a 10-year journey, and we want them to look a little bit further beyond our horizon. And then, thirdly, given our \$6 billion innovation budget, our R&D budget, we also want to work with them to use that budget as a key element to achieve our sustainability ambitions.

François Humbert

Okay, thank you very much.

Matthias Berninger

You're welcome.

Andy Jones, Hermes Investment Management

Firstly, it's great to see a step-up in ambition by a company and all the actions that have been put in place. That's certainly very welcome. I have another question on the Sustainability Council. We welcome it being established and the great role it can play. I'm just interested in, I guess, how we, as the broader set of stakeholders, may have sight of their activities, in particular whether their activities and their recommendations will be made public, the recommendations they make to the Board of Management. That's my question.

And I would also state that I think this call's been very valuable and helpful, and I'd certainly welcome having similar events in future, perhaps longer events so we can get to understand the detail and significance of this plan and the actions you're taking. So perhaps if you could also respond on, I guess, the way – any plans in the future for, I guess, involving investors on this journey perhaps beyond the Capital Markets Day. Thank you.

Oliver Maier

Andy, hi. It's Oliver. I'm not sure if you're using a headset, but your questions were very, very hard to understand. Is there any chance you could ask the questions one more time?

Andy Jones

Sure, can you hear me better?

Oliver Maier

Yeah, it's a little better, yeah. Thank you.

Andy Jones

Okay, I'll just repeat that. It's just great to see all the actions that took place and step-up in ambition. My question was around the Sustainability Council. I was interested in what, I guess, will be published for a broader set of stakeholders to see. Will the council be able to report publically on its actions and recommendations to the Board of Management [in its report?] on this journey?

And, secondly, just interested in understanding, I guess, how we as an investor group can remain informed and involved in this journey perhaps beyond the Capital Markets Day, if there are additional ways or events you're planning to do next year so the investor group can get into the detail and understand these actions. Thank you.

Werner Baumann

Hi, Andy. Thanks for your question on the Sustainability Council. This is Werner speaking. The Sustainability Council is actually designed to support and inform our integrated strategy. And, as usual, while we will of course communicate on the strategy, we will communicate on the sustainability elements of the strategy, how all of that translates into better performance and actually better outcomes – we will not... From today's perspective, I have to say, we don't see that we lay out, let's say, the details of that quite confidential dialogue as we develop our strategy. The outcome will of course be shared, but not while the strategy is in the making.

And when it comes to sharing our sustainability strategy, sharing the work that of course carries the input of the Sustainability Council, as the case may be, of course also our Supervisory Board – we will share that as part of our regular interactions with you during roadshows or other investor meetings.

Andy Jones

Okay, thank you.

Hendrik Schmidt, DWS

Thank you all for the outline of this new strategy. It's really insightful and we'll closely observe how this implementation and execution will continue over the next years. I'd also like to circle around the Chief Sustainability Officer as a new role for you, Mr Baumann. How will that affect your work as CEO? So, what kind or how much of your time do you consider will be attributed to this particular new role and – second question – is that associated with additional remuneration?

Werner Baumann

Well, I have not checked on the remuneration, but I would guess that the answer on this one is no.

Secondly, thanks, Hendrik, for the question on how does it affect my work. , I think the easiest way to think about it is that, of course, we carry the responsibility for an integrated strategy within the entire Board of Management. And, secondly, Matthias, who is sitting right next to me, reports directly to me, which makes me taking on, you know, the Chief Sustainability Officer something quite natural, I would say.

Now, singling out the amount of time I would spend on an isolated topic is actually very difficult if that topic is part of, let's say, an integrated approach for the business. So, sustainability, the way we are looking at it, the way we are actually paving the way towards implementing our strategies, is an integral part of not only strategy but also business operations. And I hope that gives you a glimpse relative to how important it is going forwards. And I think our objectives that we've set for 2030 – so the aspirational frame – but also the fact that you will see milestones that are hardwired into our incentivisation systems gives you also some perspective on the importance not only for Matthias or myself or the Board of Management. In order for us to get traction, we really need to have it dispersed into the entire organisation so that it is part of the incentivised performance of our people.

Hendrik Schmidt

Thank you.

Oliver Maier

Thank you, Hendrik.

Frank Wagemans, Achmea Investment Management

First of all, I think the steps you're taking are great steps forward. I have one particular question in regards to pricing policy in regards to medicine. Also in your presentation you focused especially on developing markets, which is a good thing. Could you elaborate a little bit about if you are considering steps in regards to access to medicine in more developed markets? Because it's a topic there also. Okay, thank you.

Matthias Berninger

Yeah, thank you for the question. I think you're absolutely right that when you look, for example, at the micronutrient access crisis for many people around the world, that's a problem that is not only found in the poorest countries in the world; it's actually happening everywhere, including some very wealthy nations with good health systems. So, our approach, especially on the third 100 million commitment, is much more agnostic for low and middle-income countries than the other two approaches. Generally speaking, we believe that a strong focus on access to health and access to medicine is going to be really important. Bayer's performance in the access to medicine index has not been really good in recent years, and this strategy also seeks to contribute to turn that around.

Frank Wagemans

Okay, thank you.

Narina Mnatsakanian, Kempen Capital Management

Thank you very much for presenting the updated strategy, and we appreciate the direction that you're travelling and the fact that you also have now a dedicated focus with a new approach to sustainability and the set-up of the council.

We wanted to know more about also the plans and the changes that you have made in terms of the product stewardship policy and responsibility use of the products, especially for the integrated Crop Science business. So, if you could elaborate a bit on that, that would be helpful.

Matthias Berninger

Narina, yeah, absolutely. So what you can see – and you have seen it with the publication of the European Green Deal in recent days – is that there is a general societal ask to reduce, I think, both the volumes as well as the negative side effects of agrochemicals. We are very committed to play an active role in reducing especially the negative side effects. We strongly believe that both innovations in the way they are applied as well as new formulas will help to reduce the use of agrochemicals. From a global perspective, we also know that our Bt genetically modified variants help to reduce insecticides at quite significant levels.

So, overall, a) we will contribute to reducing – we'll be bold on rolling out digital agriculture, but we'll also stand firm that a lot of those innovations are absolutely needed to produce more on less land. Because one of the paradoxical situations is that the challenges for biodiversity come both from the over-use of agrochemicals and from the land hunger of an inefficient agriculture. So our

commitment is to restore agriculture to produce more on less land and to do that with much less side effects. The data on biodiversity loss is guiding us here in really making shifts to the way we operate and to our portfolio.

Narina Mnatsakanian

Thank you.

Oliver Maier

Thank you very much, everybody, for participating in today's ESG call. We very much appreciate your interest. Thank you also in the name of Werner and Matthias. And I hope we've been in a position to show you that our leading position in healthcare and nutrition will allow us to significantly contribute in finding solutions to some of the pressing challenges over time. And, with that, I'd like to thank everybody. Talk to you soon. Thank you very much.

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