



Bayer's Water Position

Update Water Position

June, 2021

Our purpose “Science for a better life” guides our actions to help achieve a high quality of life on a healthy planet. Accordingly, the protection of all natural resources is an integral part of Bayer’s commitment towards a sustainable development. The availability of fresh water is a growing concern around the world. Water is not only essential for life on earth but also for many industry sectors of the global economy and especially for us as a Life Science company. For Bayer the primary use of fresh water is in production processes, for irrigation of fields and greenhouses for seed production. Fresh water is also required by our suppliers as well as by our customers.

Some of our sites are in water scarce regions, where an increased risk of substantive impact on our business is possible. Therefore, we are committed to ensure good water management in all relevant sites in these regions. Aiming to protect water resources and to improve water use-efficiency both within the company and beyond, our commitments are in four main areas: improve own operations, engage suppliers, develop innovative solutions, and support community projects.

Improving Our Own Operations and Improving Wastewater Quality

Bayer is committed to prevent water pollution, complies with all international and local laws, and strive to apply the strictest requirements. Therefore, we

- Globally monitor site water usage, quality and discharges.
- Continuously improve water reuse, recycling, reduction and wastewater treatment.
- Reduce water risks of sites in water-scarce areas or areas threatened by water scarcity.
- Ensure wastewater effluents are fully protective to receiving waters.
- Regularly review and assess risks and necessary investment decisions.
- Apply for new investments the European environmental standards appropriate in all global regions in the absence of stricter local regulations.

Engaging Our Suppliers

Fresh water availability impacts our suppliers; therefore, we

- Drive continuous improvements in irrigation efficiency across our entire seed production footprint.
- Annually engage relevant suppliers in sustainability performance evaluations, which include the evaluation of their water usage and management.
- Detail in the ‘Bayer Supplier Code of Conduct Guidance’ our expectations and share good practices to suppliers, also on water management in the supply chain.

Developing Innovative Solutions

- The agriculture sector needs to evolve to use scarce water resources more effectively given it is the major user of global freshwater. In line with our vision “Health for all, Hunger for none”, we’re committed to doing our part in supporting farmers across the world and advancing water-efficient agriculture for the benefit of farmers, people and the environment.
- We closely collaborate with growers and other partners providing customers with innovative solutions to sustainably improve yields with less water, with the aim to improve food security as well as the livelihood of smallholder farmers.
- We pursue a proactive product stewardship approach.
- Bayer designates a significant part of the R&D budget into new health therapies such as stem cell and gene therapies, proteins, and biologics, which will lead to lower water pollution by patients’ waste residues.
- With our re:contrast program, we develop contrast media recovery services to help our customers properly dispose their residue and recover the contained valuable material (e.g., iodine).

Supporting Water-related Community Projects

We use our local presence and join forces with different organizations to support projects that provide access to clean water and sanitation to our employees and the communities in which we operate. Furthermore, we set a focus on awareness and skills building around water management. Therefore,

- We are engaging and promoting in meaningful water initiatives on global level (e.g., WMO water and climate leaders).

Update Water Position

To strengthen our four areas of commitment, Bayer's organizational processes are designed to ensure a common approach for all direct and indirect engagement activities. Sustainability is a core element of our Group Strategy - across divisions and geographies- and it is in the direct responsibility of Bayer's Chief Executive Officer. Within our organization we have a water community reflecting on our own operations and the value chains of our different divisions. Furthermore, based on our 'Ecological and Sustainability Assessment of new Investments Guideline', we assess the environmental impacts of new investment projects, considering specific conditions of the location and the facility (e.g. water use and emissions into water). As a result, we have an improved risk assessment at site level ensuring that new investments will further support our overall sustainability strategy.

Additionally, we have a 'Bayer Supplier Code of Conduct' that applies to all suppliers. It expresses in multiple of its principles the responsible usage, protection, and management of water. It also expresses Bayer's expectation that our direct suppliers replicate these standards further down the supply chain.

A responsible sustainable use of water requires the commitment from many different stakeholders, i.e. from regulators, NGOs, academia, the public, the private sector, and others. We believe that this global challenge and our own objectives can best be met through multi-lateral partnerships and therefore engage in water-related initiatives with international and local partners. To facilitate the transfer of learnings and know-how, we are committed to the transparent reporting of our water-related activities.