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Agenda

1. Welcome
   Matthias Berninger
   Head of Public Affairs, Science, Sustainability & HSE

2. Transparency & ESG Ratings
   Dr. Klaus Kunz
   Head of ESG External Engagement & Performance Reporting

3. Climate & Ecosystems
   Frank Terhorst
   Head of Strategy & Sustainability, Crop Science

4. Food Security
   Daniella Foster
   Head of Public Affairs, Science & Sustainability, Consumer Health

5. Health Equity
   Dr. Claus Runge
   Head of Market Access, Public Affairs & Sustainability, Pharmaceuticals

6. I&D, Human Rights, Governance
   Dr. Cristina Alonso Alija
   Head of Sustainability, Safety, Health & Environment

7. Q&A
   All Speakers & Respective Experts

// ESG Update Webinar // Bayer // March 16, 2023
Matthias Berninger

- Head of Public Affairs, Science, Sustainability & HSE
Our Sustainability Targets positively contribute to today’s pressing challenges

We greatly contribute to multiple SDGs

- Support 100 million smallholder farmers\(^1, 2\)
- Reduce GHG emissions acc. to SBTI\(^1\)
  (Scope 1&2: -42%, Scope 3: -12.3%)
- Reduce GHG emissions by 30% in key agricultural crops in main regions
- Reduce environmental impact of crop protection by 30%
- Support 100 million people in under-served communities with self-care\(^1\)
- Reduce environmental impact of crop protection by 30%
- Support 100 million women with modern contraception\(^1, 2\)
- Increase availability and affordability of our innovative pharma products\(^2\)
- Food Security
- Climate & Ecosystems
- Health Equity

\(^1\) These targets are accounted for in the long-term variable compensation of the Board of Management and the managerial employees

\(^2\) In Low- and Middle-Income Countries (LMICs).
Klaus Kunz

- Head of ESG External Engagement & Performance Reporting

Targets, Transparency & ESG Ratings
Our major achievements in 2022
Progress towards 2030

**People**
- 19 million people reached through Nutrient Gap Initiative
- 52 million smallholder farmers reached in LMICs
- 70 million people supported with self-care in underserved communities
- Reached 44 million women with modern contraception in LMICs
- Women’s empowerment
- Access to health
- Inclusive growth

**ESG**
- Acting responsibly along the entire value chain
- Reduced ecological footprint
- Environmental impact reduction
- Climate protection
- Food security

**Planet**
- Overall GHG emissions (Scope 1, 2, 3) reduced by 1.1 million tons while growing our business
- Own GHG emissions (Scope 1, 2) reduced by –19.5%
- Reducing emissions in our value chain (Scope 3) remains an increasing challenge
- Crop protection environmental impact reduction: reduced by –14%
- Purchased renewable electricity
- Science based targets
- CDP A List for the fifth time

**LMICs:** low- and middle-income countries
**ESG:** Environmental, Social, Governance
**2** since 2019
**3** performance tracking period 2017–2021 against the 2014–2018 baseline

70 million people supported with self-care in underserved communities
52 million smallholder farmers reached in LMICs
19 million people reached through Nutrient Gap Initiative
70 million people supported with self-care in underserved communities
reached 44 million women with modern contraception in LMICs
Women’s empowerment
Access to health
Inclusive growth
Reducing emissions in our value chain (Scope 3) remains an increasing challenge
Crop protection environmental impact reduction: reduced by –14%
Overall GHG emissions (Scope 1, 2, 3) reduced by 1.1 million tons while growing our business
Own GHG emissions (Scope 1, 2) reduced by –19.5%
Reducing emissions in our value chain (Scope 3) remains an increasing challenge
Crop protection environmental impact reduction: reduced by –14%
33% Purchased renewable electricity
Science based targets
CDP A List for the fifth time

// ESG Update Webinar // Bayer // March 16, 2023
Execution needs to go along Transparency & Stakeholder Engagement
To build up and strengthen trust

<table>
<thead>
<tr>
<th>Transparency in (selected)</th>
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<table>
<thead>
<tr>
<th>MSCI</th>
<th>ESG Score</th>
<th>Controversy level</th>
<th>Improvement of Rating from BB to A; (e.g. GMO) removed</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>ISS ESG</th>
<th>ESG Score</th>
<th>Norm-based</th>
<th>Stable Rating Level (Neonics) removed in 2021</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>SUSTAINALYTICS</th>
<th>Risk Score</th>
<th>Controversy level</th>
<th>Controversy level and rating impacted by ongoing Glyphosate litigations</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>2022 Nature Benchmark</th>
<th>#1 chemical company</th>
<th>Out of ~400 keystone companies across 8 industries</th>
</tr>
</thead>
</table>
Frank Terhorst

- Head of Strategy & Sustainability
  Bayer Crop Science

Climate & Ecosystems
We Take Broad Climate Action Along the Value Chain

GHG Emissions Reduction

Accelerate decarbonization

Shape the future

GHG emissions

Offsetting

Climate neutrality

NET ZERO

2019 reference

2029 target

2050 target

Learn more by reading our Climate Program

Find more info here: https://www.bayer.com/en/sustainability/climate-protection

Our Total GHG Emissions [million metric tons CO₂e] incl. Scope 1, 2 & 3

<table>
<thead>
<tr>
<th>Year</th>
<th>Emissions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>13.75</td>
</tr>
<tr>
<td>2022</td>
<td>12.67</td>
</tr>
</tbody>
</table>

-1.1 (-8%)

Thereof SBT relevant 12.58 in 2019 and 11.93 in 2022

ESG Update Webinar // Bayer // March 16, 2023
In Scope 1&2 we are on track while we intensify our efforts in Scope 3.

**Scope 1&2**
- Reduced emissions by 4.4% or around 140k tons compared to 2021.
- 32.6% of all purchased electricity is renewable.
- Additionally, 450,000 metric tons of GHG emissions offset in 2022.

**Scope 3**
- Emissions rose in 2022 largely due to pandemic recovery.
- Collaborations ongoing with Climate Disclosure Project, Together for Sustainability and WBCSD².

**Baseline vs. Target**

<table>
<thead>
<tr>
<th>Year</th>
<th>Baseline</th>
<th>2021</th>
<th>2022</th>
<th>2029 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CO₂</strong> in our own operations by 2029</td>
<td>3.76</td>
<td>3.17</td>
<td>3.03</td>
<td>2.15</td>
</tr>
<tr>
<td><strong>CO₂</strong> in the value chain by 2029</td>
<td>8.82</td>
<td>7.91</td>
<td>8.90</td>
<td>7.73³</td>
</tr>
</tbody>
</table>

- 1 Compared to baseline 2019
- 2 World Business Council for Sustainable Development
- 3 Figures reflect SBT relevant emissions equivalent to 12.3% reduction
Bayer takes a holistic approach to sustainable agriculture

We will help our farmer customers reduce in-field greenhouse gas emissions by 30% by 2030

We will reduce the environmental impact of our crop protection products by 30% against a 2014 – 2018 baseline by 2030

Climate

Ecosystems
Our goal
help our farmer customers reduce in-field greenhouse gas emissions by 30% by 2030

Our baseline
our customers’ overall emissions intensity is approx. 443 kg CO$_2$e/t crop$^1$

Our strategy
// Prioritize our 18 most significant crop-country combinations
// Deliver continued innovation on our products
// Improve yield due to genetic gain

Pursue carbon capture through Bayer Carbon Programs. For example, ForGround.
We’re reducing Crop Protection’s Environmental Impact & growing sales

Our goal

We will reduce the environmental impact of our crop protection products by 30% against a 2014 – 2018 baseline by 2030

2018 Crop Protection Industry Environmental Impact

- Value (EUR)
- Total Area (HA)
- Environmental Impact (CP)

0% 20% 40% 60% 80% 100%

Bayer products accounted for only 2% of the environmental impact from crop protection in 2018

Preliminary impact assessment has been conducted by Technical University of Denmark (DTU) based on the PestLCI/USEtox® models. PestLCI secondary distributions currently out of scope. Impact assessment limited to current scientific consensus of USEtox®: aquatic organisms and the substances which can be characterized in USEtox®. Terrestrial and pollinator impact assessment is currently not included in USEtox®. CP application data mostly from third parties such as Kynetec/Kleffmann in some countries based on Bayer estimates. Only CP applications in 2018 covered.

2017 – 2021 vs 2014 – 2018

- We reduced the global environmental impact of our crop protection products by 14%¹

From 2018 to 2021

- We increased crop protection sales by 15%

¹ Comparison against a 2014 – 2018 baseline
We’re enhancing agricultural productivity with ecosystem preservation

**Biodiversity**

- Developing cropping systems that not only produce more with less, but also become more regenerative in terms of soil health and habitats and more resilient towards climate change
- Regenerative Agriculture
- Forest protection strategy in Brazil
- Involvement in frameworks (SBNT, TNFD) and platforms (SAI, SMI)

**Sustainable Use**

- Expanding product stewardship and fighting counterfeiting to drive the sustainable and safe use for humans and the environment by e.g.:
  - Safe use trainings: increase in externals (mainly farmers) reached 3.4 mio vs. 2.7 mio in 2022
  - Expanding the Safety Seal technology to seeds

**Water**

Transforming rice cultivation by developing a Crop System empowered by Direct Seeded Rice tailored to rice growers’ needs.

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**Water Commitment**

“We commit to driving positive change in water productivity in water scarce regional cropping systems – starting with rice where we commit to improve water use per kg of crop by 25% in 2030 by transforming the rice cropping system for our smallholder customers in the relevant regions where Bayer operates”
Benefits of our “Sustainable Intensified Management System” in Argentina

Implementing a sustainable agronomic system resulted in …

… Increased farmer ROI

- Higher system productivity: +13.4%
- Increased Gross profit margins by: 22%

… And more sustainable agriculture

- Carbon Sequestration (Kg CO₂/Ha/Year): +1,428 kg
- System Biomass Production (kg/ha): +40%
- Reduced Carbon balance (CO₂ eq kg/ha): -65%
- Less sprays: -15%

Notes: Average Farmer’s Management (AFM) vs Sustainable Intensified Management (SIM). Seasons 2019-20/2020-21/2021-22
Deliver 100% digitally-enabled sales\(^1\) and outcome-based solutions to customers

Setting a new standard for the industry
in data-driven, digital innovations

Farmers
Consumers
Climate & Ecosystems
Agri-businesses
CPG\(^2\) companies

Microsoft Azure Data Manager for Agriculture

1 In the Crop Science division by 2030
2 Consumer Packaged Goods
Daniella Foster

- Head Public Affairs, Science & Sustainability Consumer Health

Food Security
Support 100m Smallholder Farmers of the >550m Globally

Accessing smallholder farmers improves lives in low- and middle-income countries and creates business opportunities

### Challenges
- Lack of access to new technologies
- Limited access to knowledge
- Climate Change
- Limited productivity of their crops
- Exposed to the markets; price volatility & fluctuations
- Hunger & malnutrition
- Lack of access to markets & capital
- Additional challenges caused by Covid-19

### How to get there
- **Regional commercial strategies** focused on smallholder farmers' needs
- **Digital Solutions** for advisory, market linkage, etc.
- **License to Operate & Biotech approval pipeline** in Africa and APAC to enter new markets
- **Value Chain Partnerships** as shared investment alliances to reach new segments
- **Portfolio Differentiation** to offer better and affordable crop protection & seeds products

### Progress
- **Commercial Expansion & Initiatives**
  - 2019 Baseline: 42
  - 2021: 49
  - 2022: 52
  - 2030 Target: 100

### Smallholder-farming business 2022:
- ~€2.3bn sales

1 Internal estimate, aligned with scope of Smallholder Reach methodology.
Better Life Farming¹
An Ecosystem Approach to Last-Mile Delivery

An inclusive, sustainable & scalable business model

// BLF network of >2,500 centers: Strong expansion (India, Indonesia, Bangladesh, Mexico, Honduras; planned launch in Tanzania)

// Successful partnership approach: 30+ partners along ecosystem; funding with IFIs², foundations, NGOs

// Women empowerment: ~10% female agri-entrepreneurs operating BLF centers + role models

// Impact generation: Rural job creation, higher yields and profits for farmers, reduction of food loss
Nearly 1 in 3 people don’t have access to **essential vitamins & minerals** globally. **Nutrients** come from **Food & Supplements**.

**Food**
Crop Science

Vitamin and minerals from fruits, vegetables, grains and animal proteins

Hunger for none

**Supplements**
Consumer Health

Vitamins and minerals complements (safety net supplements)

Health for all

Bayer is one of few companies in the world that can positively improve access to essential **nutrients** holistically.

Our partners:
Leveraging the strong BLF infrastructure to help close the nutrient gap

Impact

Nutrition education in partnership with NGOs and local governments (Smallholder farmers as multipliers)
Access to prenatal nutrition (multiple micronutrient supplementation) for pregnant women
Women empowerment: Training for women in family planning, healthcare, self-care, and stunting prevention

 Enhancement in knowledge about self-care, nutrition, stunting and women’s health

44,000 Women trained
800,000 Smallholder Farmers

1 Assessment reports by MercyCorps Indonesia (May 2022 & January 2023)
Claus Runge

• Head Market Access, Public Affairs & Sustainability Pharmaceuticals

Health Equity
Health Equity is still far away from being a reality

Inclusive growth business models can help to come closer

<table>
<thead>
<tr>
<th>Life expectancy at birth, total (years)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Low-income</td>
<td>64.1</td>
</tr>
<tr>
<td>Lower middle income</td>
<td>69.3</td>
</tr>
<tr>
<td>Upper middle income</td>
<td>76.0</td>
</tr>
<tr>
<td>High-income</td>
<td>80.3</td>
</tr>
</tbody>
</table>
Access to Self-Care for 100m People in Underserved Communities

Everyday Health as the First and Last Line of Care

Challenges

- Ageing population, a rise in lifestyle related diseases and a constantly increasing level of healthcare costs
- Expanding access to self-care solutions helps with early intervention and lowers healthcare costs for society
- Consumers are 4-6 times more likely to purchase, protect, champion or trust brands with a strong purpose

How to get there

- Appropriate Portfolio: adapting our science-based portfolio to design everyday health solutions with the underserved in mind, from formula to pricing
- Deeper Penetration: meeting low-income consumers where they shop to bridge the physical gap
- Partnerships and Initiatives, e.g., the Nutrient Gap Initiative
- Policy: Collective action for a WHO resolution on self-care
- Focus on high impact markets: US, LATAM, ASEAN, METAP

Self-Care Education initiatives form the basis for shaping behavioral change to empower consumers to manage their own health better

Progress

Numbers reflect people (millions)

Access Driven Growth & Strategic Partnership

<table>
<thead>
<tr>
<th>Year</th>
<th>2019 Baseline</th>
<th>2021</th>
<th>2022</th>
<th>2030 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>41</td>
<td>59(^1)</td>
<td>70(^1)</td>
<td>100</td>
</tr>
</tbody>
</table>

\(^1\) Including our strategic investments in India

Access to Self-Care for 100m People in Underserved Communities

Everyday Health as the First and Last Line of Care
How do we adapt our portfolio to solve unmet needs

Underserved people prefer brands they trust for safety and efficacy. We commit to delivering solutions tailored to their needs.

### Consumer needs
- **Medical insight**: Research on unmet medical needs (pending scientific publication)
- **Consumer Insights**: Consumer understanding

### Innovative solutions
- **Innovative access solutions**: Convenience, safety, Rx-to-OTC switches
- **New solutions**: New products/formula and services

### Go-to-market
- **Pricing**: Affordable for underserved, yet profitable
- **Channels**: Available where underserved consumers buy

### Education
- **Health education and literacy**: Empowerment to make safe and efficacious self-care decisions

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**Partnerships and Advocacy**
Focus on impact markets: Mexico, Egypt, Africa, India, South East Asia, China
Pharmaceuticals: Delivering patient impact & business growth

On track to reach 100m women in LMICs with modern contraception; AtM index Top10 rating achieved

100mn women on modern contraception by 2030

Access to family planning 8 FP¹ brands

- Regional commercial sales
- Supranational sales
- Partnerships with organizations (e.g., BMGF²)

Top 10 AtM position

Access to Bayer innovative brands

- Tiered pricing (P3)
- Patient affordability programs (PAP)
- Early access plans in development

Family planning

- ~44,000,000 women reached
- Double digit m€ in total revenue supranationally p.a.
- Self-sufficient COGS+ approach with profits being reinvested in partnerships

Broader innovative portfolio

- +1,000,000 patients
- Triple digit m€ incremental net sales in LMICs
- Positive margin impact in many use cases across countries

1 FP: Family Planning
2 BMGF: Bill and Melinda Gates Foundation
Challenges

- >200 million women in developing regions who want to avoid pregnancy are not using safe and effective family planning methods, central to women’s empowerment
- Reducing poverty, protecting maternal and child health, driving economic development, and achieving sustainable development
- Gender inequality is still high, teenage pregnancy and maternal death are serious health concerns, especially in LMICs
- The need to provide reproductive supplies and services will further increase
- By 2030, an additional 130 million women in LMICs will have entered reproductive age

How to get there

- Capacity building\(^1\), e.g., cooperation with urban health project ‘The Challenge Initiative’ (TCI)
- Reaching women in rural areas and humanitarian settings in cooperation with partners (e.g., UNFPA, German Red Cross)
- Long-term: Innovation, e.g. non-hormonal contraceptive technologies

Progress

Additional supply capacity, most importantly for long-acting contraceptives: >400m€ investment into Costa Rica and Finland facilities

Numbers reflect women using modern contraception (millions)
\(^1\) Capacity building refers to the development of knowledge, skills, commitment, structures, systems and leadership to enable and strengthen self-reliance and resilience of the local health systems and of the key players towards family planning and sexual reproductive health. We aim to do leverage partnerships to create impact at scale.
We have delivered against the aspiration – and won’t rest
Moving up from rank #16 to rank #9 within 18 months in investor backed AtM Index

One of the fastest & furthest moves ever in AtM index history
Top Ten in all three AtM index sub-categories
Biggest jump in R&D (17→10)
Foundation heralds four Bayer best practices
Call for broader access in oncology (Nexavar, Nubeqa)
Bayer Pharma is actively engaged in the fight against neglected tropical diseases

Can we …

... support the fight against neglected tropical diseases affecting 1bn people?

We have …

Signed the "London Declaration on NTDs" (2012) and "Kigali Declaration" (2022) aiming to eliminate 20 of the most devastating NTDs.

...develop emodepside for onchocerciasis (river blindness)

... partner with WHO to fight Taeniasis, the most preventable cause of epilepsy in endemic countries.

... contributed to the 98% reduction in reported HAT cases and a 83% reduction in endemic areas since 2002

We …

Established a long-term trusted partnership with WHO since 2002, accelerating support of WHO roadmap 2021 – 2030

Committed to WHO to donate suramin and nifurtimox as long as needed to fight African sleeping sickness and Chagas disease

NTD: Neglected tropical disease | LATAM: Latin America
1 https://www.who.int/publications/i/item/9789240010352 | 2 30% of epilepsy in endemic countries.
ATM 2022: Four best practice examples with Bayer featured

A holistic approach to expanding access to contraceptive products

Bayer only

Implementing a systematic access planning policy for R&D projects

Together with other companies

Sharing IP assets to facilitate R&D targeting neglected tropical diseases

Approvals for new products to treat neglected tropical diseases and infectious diseases

Bayer only
Cristina Alonso

- Head of Sustainability, Safety, Health & Environment

I&D, Human Rights Governance
Inclusion & Diversity
Continuous progress with holistic approach and enhanced measures

Progress on our gender balance commitments

Further commitments e.g., covering age structure, nationality, experience, LGBTQ+, people with disability

Measures

// I&D concepts included in leader expectations & dashboard

// Talent development focused on I&D advanced

// Assessment of gender pay equity for 86% of Bayer workforce in 18 countries completed: Gender-specific differences are limited to <2%

// Business Resource Groups with Board mentors help to cultivate an inclusive and diverse company culture:

// “GROW”: women
// “BLEND”: LGBTQ+ employees
// “ENABLE”: employees with disability
// “BayAfrO”: people of African/Black descent
// “MERGE”: multigenerational competences

Further commitments e.g., covering age structure, nationality, experience, LGBTQ+, people with disability
Human Rights at Bayer

We are on the way to operationalize and fully integrate our Human Rights strategy into business

**Strategy**

**2020**

- Definition of the framework

**2030**

- Operationalization and full integration

- Strategic positive contribution

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### Strong Governance

- Commitment to **respect human rights along the value chain**
- **Strong policy-based framework**, incl. Human Rights Policy, Corporate Compliance Policy, Supplier Code of Conduct, etc.
- New role of **Human Rights Officer**
- Extension of **Sustainability Council** by a Business and Human Rights expert
- First **WBT** on Human Rights launched in 9 languages in 2022

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### Risk analysis completed

- Leveraging **ERM framework and tools**, considering potential impact in own operations, upstream, or downstream
- **Six priority human rights risks** identified:
  - Environmental Stewardship
  - Right to Health
  - Forced Labor
  - Child Labor
  - Working Conditions
  - Freedom of Association

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**ERM**: Enterprise Risk Management | **WBT**: Web-based training | **UNGPs**: United Nations Guiding Principles on Business and Human Rights | **SCDDA**: Supply Chain Due Diligence Act
Bayer’s Sustainability Governance framework
Holistic approach ensuring sustainable execution and advancement

Independent Oversight
- Supervisory Board ESG Committee
- Sustainability Council & Bioethics Council
- External & Internal Audits
- Reporting acc. to relevant frameworks

Regulations & Processes
- Broad group-wide policy-based framework
- ESG included in Compensation
- CEO as Chief Sustainability Officer
- Sustainability Decision Committee
- Topic specific transparency initiatives

Reporting & Transparency

Organizational Setup
- CEO as Chief Sustainability Officer
- ESG included in Compensation

Latest updates (selected):
- Reports on GMOs, UNGC adherence, and Crop Science Sustainability Progress
- New Bioethics Council established
- Extension of Bayer Science Collaboration Explorer with US launch
- OpenLabs 360° launched
- Progress on climate sphere (e.g., publication of offsetting approach, updated supplier code of conduct, and industry association climate review)
Thank you!
Video recording will be available soon