Bayer's Water Position

Update Water Position 2025

August 2025

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Our purpose “Health for all, hunger for none” 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 sustainable development. Our activities align with the United Nations’ Sustainable Development Goals (SDGs), including SDG 6 (Clean Water and Sanitation). Our water position specifically addresses SDGs 6.1, 6.3, 6.4, and 6.8.

The availability of fresh water is a growing global concern. Water is not only essential for life on earth but also for many industry sectors of the global economy and particularly for us as a Life Science company. For Bayer, the primary use of fresh water includes chemical production processes and the 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 located 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 at all relevant sites, particularly in these regions.

Aiming to protect water resources and to improve water-use efficiency both within the company and beyond, we are engaged in four main areas:

1 Developing Innovative Solutions

We believe that the greatest positive changes come from product innovations and solutions that create **substantial improvements in our value chain.**

- The agricultural sector, which consumes nearly 70% of global freshwater withdrawals, plays a crucial role in addressing challenges related to water shortages. In line with our vision, “Health for all, Hunger for none,” Bayer aims to contribute to a more water-efficient agriculture with the ambition to generate impact beyond its own operations. Examples of areas of focus include:
    - As a global leader in agricultural innovation, our innovative potential is used to develop scientific solutions that help build more **water resilience in agriculture** (e.g. Arize® hybrid rice).
    - We leverage our partnerships to encourage engagement and action on water and join efforts to build, test, and promote solutions and agronomic practices that have the potential to drive a more water efficient agriculture (e.g. TELA Maize project).
    - We have set ourselves an ambitious target to **support our smallholder customers to increase water productivity by 25%** by 2030- against a 2019–2021 average baseline - by transforming rice cropping in the relevant geographies where Bayer operates.[1]
    - We partner with farmers and other stakeholders to demonstrate how innovative and modern agricultural tools can help conserve water resources and benefit farmers, the environment and society (e.g. Bayer ForwardFarms).
- Bayer allocates a substantial portion of its R&D budget to the development of innovative health therapies, including stem cell and gene therapies, proteins, and biologics. While the primary goal is to enhance patient health, these biological therapies also reduce pharmaceutical residues in the patients' excrement and thus the micropollutants in sewage water, especially when compared to chemistry-based therapies.
- We collaborate with the German Fraunhofer-Gesellschaft and industry partners to reduce Iodine from patients’ urine in hospital wastewater. To further lower Iodine and Gadolinium levels in wastewater, we also collect leftover contrast media from hospitals to recover these substances through our re:contrast program.

[1] Water productivity is defined as kilogram of crop yield per volume of water used (kg/m3). The baseline validation is still ongoing. Our water target is currently focusing on the DirectAcres Initiative, which aims at supporting farmers shift successfully from transplanted puddled rice to mechanized direct seeded rice.

2 Improving Our Own Operations

Bayer is dedicated to preventing water pollution and complying with all international and local laws. We set stringent voluntary discharge limits for all active ingredients. Additionally, Bayer is constantly striving to optimize the water use in its sites, taking local contexts into account. To achieve this, we

- Globally monitor site water withdrawals, usage, discharges, and consumption.
- Continuously enhance water reuse and recycling.
- Identify optimization potentials and consider reduction actions at our sites, considering compliance as well as financial, sustainable, and technical feasibility.
- Assess and mitigate water-related risks at our sites, especially in areas threatened by water scarcity by 2030.
- Apply European environmental standards as a minimum requirement for new investments worldwide, also if local regulations are less stringent.

Our Health Care divisions aim to **reduce their water withdrawal**, weighted by the water stress and the own share of the respective regions' total withdrawal, **by 20%**, related to a 2024 baseline, by 2030.

3 Engaging Our Suppliers

The availability of fresh water also impacts our suppliers and vice versa. Therefore, we

- Drive **continuous improvements in water efficiency among our suppliers**, with a special focus on irrigation practices by our seed growers.
- Outline our expectations in the Bayer Supplier Code of Conduct Guidance and share best practices regarding water management in the supply chain.
- Engage relevant suppliers in annual sustainability performance evaluations, which will include assessments of their water usage and management.

4 Supporting Water-related Community Projects

We leverage our local presence and collaborate with various organizations to support projects that provide access to clean water and sanitation for our employees and the communities in which we operate. We also focus on raising awareness and building skills around water management. Therefore, we engage in meaningful global water initiatives (e.g., WMO water and climate leaders) and collaborate on **local projects on water, sanitation, and hygiene (WASH)**, such as our partnership with Safe Water Network in India, **transforming the lives of 270,000 people**.

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. We assess the environmental impacts of new investment projects, considering specific conditions of the location and the facility in line with our guideline "Ecological and Sustainability Assessment of new Investments". As a result, we have improved risk mitigation at site level, with the goal that new investments will further support our overall sustainability strategy.

Furthermore, our Bayer Supplier Code of Conduct applies to all suppliers, emphasizing responsible usage, protection, and management of water. We expect our direct suppliers to replicate these standards throughout their supply chains.

A responsible and sustainable use of water requires the commitment of various stakeholders, including regulators, NGOs, academia, the public, and the private sector. We believe that this global challenge and our objectives can best be met through multi-lateral partnerships, and we actively engage in water-related initiatives with international and local partners. To facilitate the transfer of knowledge and best practices, we are committed to the transparent reporting of our water-related activities.