

The background of the slide is a composite image. On the left, a woman in a white lab coat and safety glasses is working in a laboratory, holding a pipette and a flask. On the right, a person wearing a hat is kneeling in a lush green field at sunset, holding a clipboard. The text "Bayer Climate Strategy" is overlaid on the field image.

*Bayer Climate
Strategy*

*Transition and
Transformation Plan*

Mitigation, Adaptation & Access

Health for all. Hunger for none

March 2026

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A Letter from the CEO



Bill Anderson, Chief Executive Officer and Chief Sustainability Officer Bayer AG

Climate change affects us all and is one of the greatest challenges that humankind will face in the future.

For us, “Health for all. Hunger for none” means more than just corporate responsibility. Through our three divisions Pharmaceuticals, Consumer Health and Crop Science, we are uniquely positioned to support access to healthcare and food security. This safeguards Bayer’s future growth and is an integral part of our business strategy, operations, and compensation system.

To support Bayer’s mission, we defined our strategic triangle, where we have a significant impact and aim to both boost our ambitions and drive our business solutions forward:

- // Climate change negatively impacts both the availability and nutritional value of staple food crops and vegetables. Everyone needs to contribute to reducing emissions.
- // Health needs and access to healthcare are challenged by climate change, with rising temperatures compounding health issues and new diseases and more health challenges.
- // Food security fundamentally depends on the continuous development and advancement of sustainable agricultural innovations and on the health of farmers and communities who produce food.

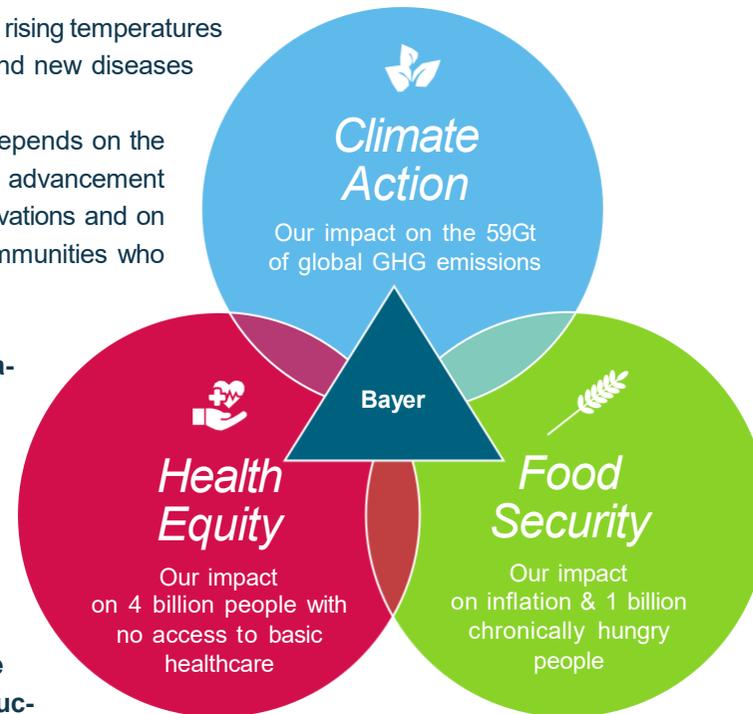
Our Transition and Transformation Plan is a direct result of our strategic triangle and translates our mission into concrete targets and actions. We are focused on delivering.

Through our businesses, we are able to contribute to global reduc-

tion targets and provide access to healthcare and agricultural solutions for humans around the world.

We are welcoming all of you to support our journey.

Bill Anderson, CEO/CSO



Bayer’s Areas of Impact
Our Sustainability Strategic Triangle

Climate Integrated into Business Strategy to Contribute to Global Goals

Letter from Matthias Berninger

The global climate crisis continues at an alarming rate. In 2023, the global average temperature increase surpassed 1.5°C for the first time. The pace of change exceeds projections. Almost a decade later, we are on a trajectory well past the limits agreed in the 2015 Paris climate conference. Around the world, changing climate conditions increasingly impact human health and harm agricultural production.

This **Transition and Transformation Plan** provides an overarching picture of our climate strategy including key actions for mitigation, adaptation and access. This plan serves as an update to our initial climate program from 2019.

The **“Transition”** section delves into our systematic approach to reduce greenhouse gas emissions and is aligned with what has been agreed in Paris to keep temperature increase within 1.5°C.

- 1: Achieving CO₂e neutral
- 2: Cutting our emissions in half every decade until 2050
- 3: Removing the remaining emissions. It outlines the commitments, targets and actions we are implementing to achieve Net Zero.

The **“Transformation”** section explores our strategic initiatives in our businesses, showcasing how we leverage our unique position to create impact supporting our farmers, patients and consumers

through innovative solutions and services. Together, this plan provides a comprehensive overview of our ambitious climate strategy integrated into the business to generate value across multiple dimensions. Climate action for Bayer is good business. We need bold action across value chains to mitigate and drive adaptation.

We invite all of you to provide feedback, and we are looking forward to an enhanced discussion with you to collaborate and drive our mission “Health for all. Hunger for none”.



Matthias Berninger, Executive Vice President & Head of Public Affairs, Sustainability & Safety of Bayer

Bayer Climate Strategy

Navigating the Path to Net Zero and Transformation to New Value Pools.

We are continuously striving to improve our Climate Strategy. We have divided our Climate Strategy into a Transition and a Transformation section. The transition is focused on us and commitments we need to deliver on. The transformation is beyond our boundaries and reflects new value pools where customers mitigate and strategically adapt.

With our businesses we have massive potential to positively impact food and health systems through innovation, adaptation and the mitigation of global emissions through regenerative agriculture and new solutions. The overarching actions are described in the following report.



* SBTi approved our near-term target until 2029 and Net Zero Target. ** From 59Gt global GHG emissions (reference year 2019; source: IPCC AR6 WGIII Full Report 2022).

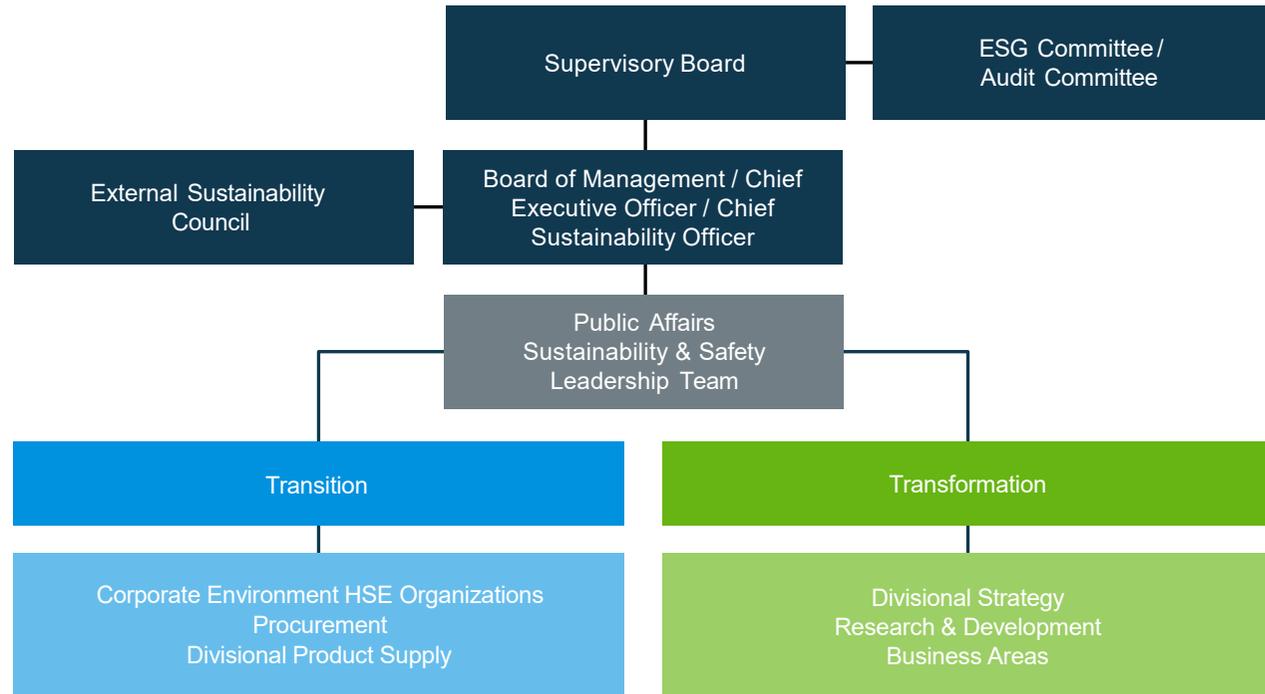
Climate Governance

Securing Long-term Success and Fostering a High Level of Trust Among All Stakeholders.



We have set up a governance system across all divisions to drive climate action forward. Climate action is a cross-function work, where every department in the organization can contribute. By doing this we are moving from commitment towards impact and opportunities. The objective is to leverage these opportunities by benefiting our farmers, patients and consumers, while reducing the risks.

Chitkala Kalidas, Head of ESG



The Chairman of the Board of Management (CEO) holds direct responsibility for climate protection in his role as Chief Sustainability Officer (CSO). In keeping with their level of importance, climate-change-related topics and Bayer's climate strategy are discussed with the Meetings of the Board of Management, the Supervisory Board and both, the ESG Committee and the Audit Committee of the Supervisory Board. In addition, the Sustainability Council that was established in 2020 advises the company in all matters relating to sustainability – including climate protection.

The Board of Management (CEO) is supported in this by the Public Affairs, Science, Sustainability & HSE Enabling Function and the sustainability departments within the divisions. The divisions coordinate the operational implementation of the climate protection measures. We have formed Group-wide working groups for the strategic and operational implementation of climate-change-related activities.

Climate Governance

Securing Long-term Success and Fostering a High Level of Trust Among All Stakeholders.

Bayer is committed to responsible corporate governance. By adhering to laws, safeguarding values and strengthening our reputation, we aim to secure our company's long-term success and to foster a high level of trust among all stakeholders. Our endeavors in this regard are further supported by our increased integration of sustainability aspects into all processes and at all levels of the company.

Corporate governance practices that go beyond the legal requirements are derived from our mission and our common values, which form the basis for the respectful working relationship among our employees and with our external partners. The main guidelines are summarized primarily in our Group regulations on compliance, human rights, and fairness and respect at work, as well as in our Supplier Code of Conduct and the Bayer Societal Engagement (BASE) principles.

Our Group-wide sustainability targets are integrated into the compensation system for the Board of Management. In so doing, we aim to continuously increase value for stockholders and other stakeholders and ensure the continuity of our company for the long-term. The group sustainability targets which include climate protection target are integrated into the long-term variable compensation (LTI) of the Board of Management and LTI-entitled managerial employees with a weighting of 20%. For more information, please see the [Annual Report](#).

Bayer maintains an integrated management system (IMS) based on the overarching Plan-Do-Check-Act (PDCA) principle.



Risks & Opportunities

Climate Change Is Impacting Our Farmers, Patients and Customers Already Today. We Are Working on Solutions for the Biggest Challenges.

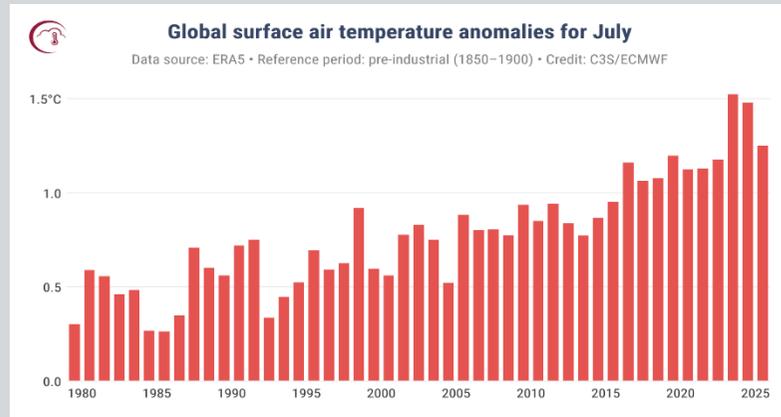
Today:

We observe droughts, extreme weather events and temperature increases in all regions globally. The latest climate data shows record highs driven by climate change. Farmers, patients and consumers are already feeling the impacts of climate change today.

Forecasted:

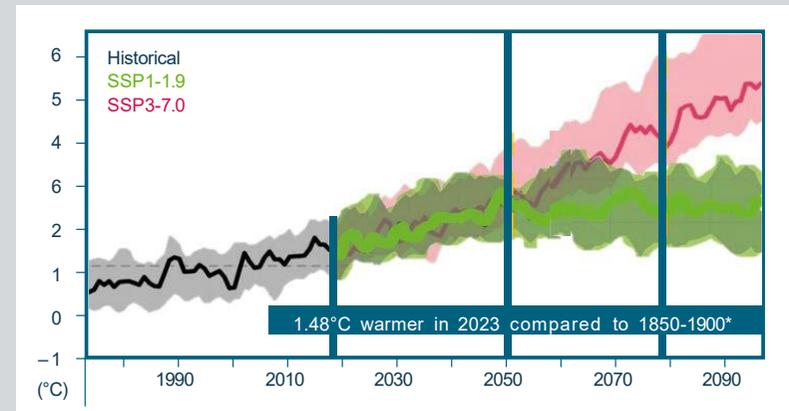
As the world must achieve the Paris Agreement through faster and bigger reductions in greenhouse gas emissions ([UN Emission Gap Report 2025](#)), we use global societal scenarios and climate data as input in our strategic planning. The SSP3-7.0 (3.6°C best estimate increase by 2100) is our leading scenario, accompanied by the SSP1-1.9 (1.5°C aligned) scenario to assess transition impacts.

Global Surface Air Temperature Anomalies



Data: ERA 5, Copernicus Climate Change Service; Credit: C3S/ECMWF

Global Temperature Change



*Copernicus: 2023 is the hottest year on record, with global temperatures close to the 1.5°C limit | Copernicus

Primary Risk:

Our downstream agricultural value chain due to changing environmental conditions.

Impacts from climate change broken down: Up to 10% of global crop and livestock areas will become climatically unsuitable by 2050 under SSP3-7.0 (IPCC AR6 Fact Sheet – Food and Water). You can find our Climate Impact Drivers (main impact areas) and a qualitative assessment in our [TCFD Report](#).

Opportunities:

To innovate and shape the future business model and activities to create value for our farmers, consumers and patients.

Transition toward Net Zero

Our climate-related **Transition Plan** is an action plan which clearly lays out Bayer's climate strategic targets, actions and resources for its transition toward Net Zero.

We have aligned our **Transition Plan** along the requirements of the IFRS, CSRD, CDP and Transition Plan Taskforce.

The plan reflects our current approaches and understanding. As the world is constantly evolving, we will update this plan on a regular basis.

Bayer's Reduction Plan toward Net Zero



Our Achievement in 2025

We are on track to deliver on our commitment. Compared with the base year 2019, we reduced our combined Scope 1 and Scope 2 GHG emissions by 25.9% and our Scope 3 GHG emissions by 12% in 2025.

The total GHG emissions (Scopes 1, 2, and 3) amounted to 11.9 Mt of CO₂ equivalents in 2025.

51.2% of our total purchased electricity from renewable energy sources was procured from renewable energy.

Near-term Climate Targets by 2029

We intend to reduce our combined Scope 1 and 2 GHG emissions by an absolute 42% compared to the base year 2019 by the end of 2029¹ from relevant Bayer sites. This target is on the pathway to a 1.5°C scenario.

Further we aim to reduce Scope 3 GHG emissions in our supply chain by an absolute 25% (compared to the 2019 base year) by 2029¹. This target is on the pathway to a well below 2°C scenario.

Net Zero Target by 2050

We have set ourselves the target to achieve Net Zero GHG emissions including our entire value chain by 2050 or sooner and signed the [Business Ambition for 1.5°C](#). This target was formulated in accordance with the criteria of the SBTi defining Net Zero as a reduction of -90% across Scope 1, 2 and 3¹.

We address our climate protection activities in our latest [Annual Report](#), [Impact Report](#) and [CDP](#).

¹ We have received our target validation incl. a long-term target from the SBTi.

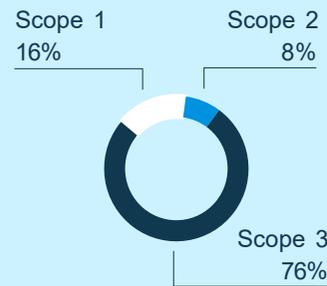
² In accordance with our SBTi target and includes all Scope 3 categories.

Bayer Total GHG Inventory

We Are on Track to Deliver on Our Commitment

In 2025, we reduced our total greenhouse gas emissions (Scope 1, 2 and 3) compared to the reference year 2019 by around 2.2 million tons, while our business has grown over the same period.

We address our climate protection activities in our latest [CDP Report](#).



Total Greenhouse Gas Emissions (Scope 1, 2 and 3)

Million Metric Tons of CO ₂ Equivalents	2019	2024	2025
Total emissions according to the location-based method ¹	14.19	12.35	12.47
Total emissions according to the market-based method ²	14.10	11.78	11.89
Specific total emissions (t CO ₂ e/€ million external sales) according to the location-based method ³	291	256	274
Specific total emissions (t CO ₂ e/€ million external sales) according to the market-based method ⁴	289	243	261

¹ Total emissions according to the location-based method are calculated by adding together direct emissions (Scope 1) and indirect emissions (Scope 2) calculated using the location-based method of the GHG Protocol plus indirect emissions from our value chain. Emissions from the value chain (Scope 3) encompass all Scope 3 categories.

² Total emissions according to the market-based method are calculated by adding together direct emissions (Scope 1) and indirect emissions (Scope 2) calculated using the market-based method of the GHG Protocol plus indirect emissions from our value chain. Emissions from the value chain (Scope 3) encompass all Scope 3 categories.

³ Specific total emissions according to the location-based method are calculated by adding together direct emissions (Scope 1) and indirect emissions (Scope 2) calculated using the location-based method of the GHG Protocol plus indirect emissions from our value chain, then dividing this total by the external sales volume. Emissions from the value chain (Scope 3) encompass all Scope 3 categories.

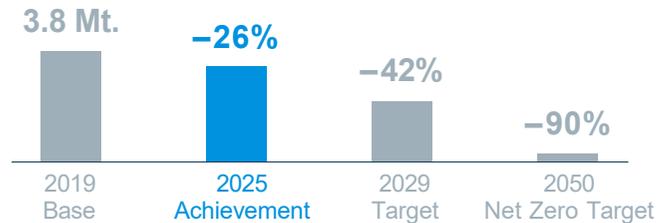
⁴ Specific total emissions according to the market-based method are calculated by adding together direct emissions (Scope 1) and indirect emissions (Scope 2) calculated using the market-based method of the GHG Protocol plus indirect emissions from our value chain, then dividing this total by the external sales volume. Emissions from the value chain (Scope 3) encompass all Scope 3 categories.

Scope 1

At Bayer, direct greenhouse gas emissions are primarily caused by the combustion of primary energy sources such as gas and oil. These are used to generate electricity, steam and auxiliary energy (such as for heating and cooling) for the manufacture of our products. Further emissions derive from chemical processes which are required to produce chemical reactions.

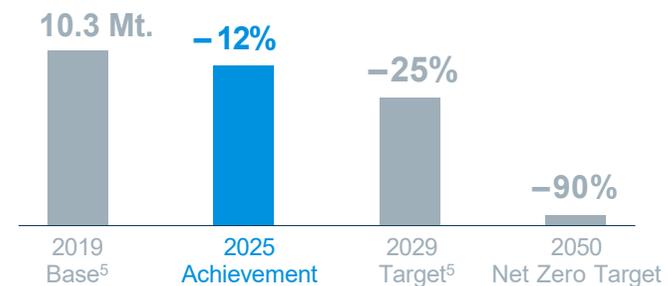
Scope 2

The purchase of electrical energy (electricity, heat/steam and cooling), for the manufacturing of our products, largely falls under Scope 2 emissions.



Scope 3

Bayer's Scope 3 emissions are primarily upstream emissions arising from the procurement of chemical raw materials, active ingredients or finished goods. Additional emission drivers are the purchase of seeds, energies as well as up and downstream transportation. Downstream emissions are predominantly caused by the disposal of packaging materials.



⁵ Including all Scope 3 categories

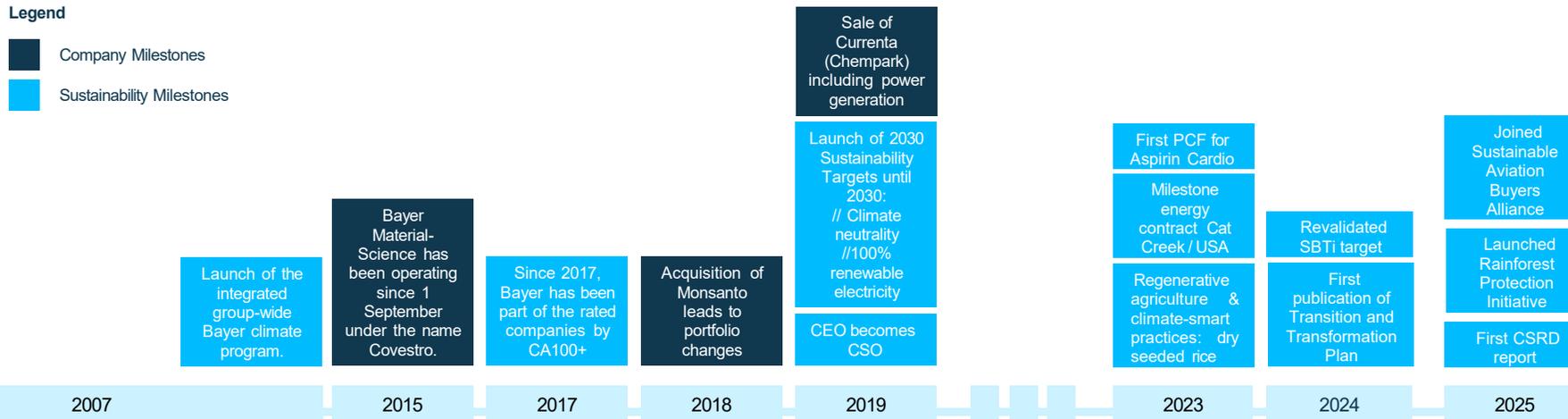
Decarbonization Journey

Bayer has developed from an energy-intensive pharmaceutical and chemical company toward a life science company with less energy intensity. The challenges have changed, but our goals have

remained the same. Bayer will develop and change its portfolio, but we will continue our pathway to enhance sustainability.

Pharmaceutical and Chemical Company

Life Science Company



	2007	2015	2017	2018	2019	2020	2021	2022	2023	2024	2025
CDP Rating	A	A-	A-	A	A				A-	A	A
Own Emissions¹	9.30	9.71	3.63	5.45	3.76				3.00	2.96	2.79
Value Chain Emissions²					10.34				9.72	8.82	9.10

¹ Scope 1 & 2 market-based in million metric tons of CO₂ equivalent

² Scope 3 in million metric tons of CO₂ equivalent

Bayer's GHG Inventory Scope 1 & 2

Delivering What We Can Influence

Bayer's GHG emissions fell further in 2025 compared to 2024. We succeeded in reducing our own Scope 1 and Scope 2 emissions by 6%, or around 170,000 metric tons of CO₂ equivalents, mainly by increasing the share of our electricity derived from renewable energies (Scope 2). Overall, we have already reduced our own emissions (Scope 1 and Scope 2) by 25.9% compared with the base year 2019.

In our GHG emission reporting, we take account of the recommendations of the Greenhouse Gas Protocol (GHG Protocol). Direct emissions from our own power plants, vehicles, waste incineration plants and production facilities (Scope 1) and indirect emissions from the procurement of electricity, steam and cooling energy (Scope 2) are determined at all environmentally relevant sites whose annual energy consumption exceeds 1.5

terajoules and/or annual water withdrawals greater than or equal to 50 Tm³. In this connection, we have published our methodology for the group-wide recording of GHG emissions. In line with the GHG Protocol, we report indirect emissions (Scope 2) according to both the location-based and the market-based method. Further information can be found in our [Annual Report](#) or our [CDP reporting](#).

Greenhouse Gas Emissions (Scope 1 and 2)

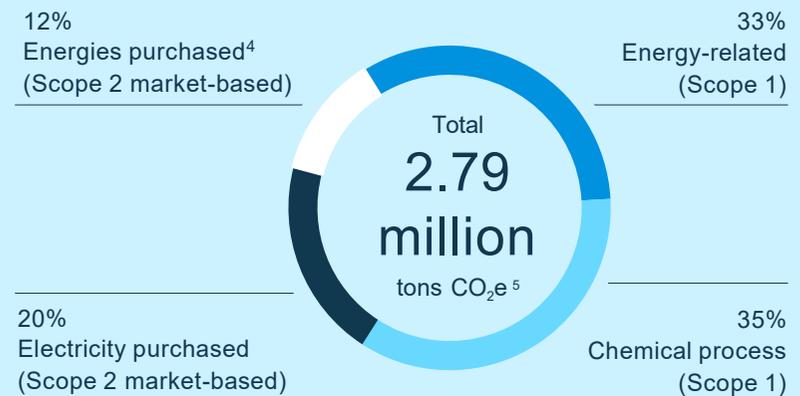
Million Metric Tons of CO ₂ Equivalents	2019	2024	2025
Scope 1: Direct emissions ¹	2.08	1.88	1.89
Scope 2: Indirect emissions ² according to the location-based method	1.77	1.65	1.48
Scope 2: Indirect emissions ² according to the market-based method ³	1.68	1.08	0.90
Total greenhouse gas emissions (Scope 1 and 2) according to the market-based method³	3.76	2.96	2.79

¹ In line with the GHG Protocol, we also report the direct emissions resulting from the generation of energy for other companies that is sold as a site service. In 2025, these emissions corresponded to 0.11 million metric tons of CO₂ equivalents.

² Typically, CO₂ accounts for 97.4% of all energy-related GHG emissions. When determining indirect emissions, our calculations are therefore limited to these greenhouse gases, and we indicate all emissions in CO₂ equivalents.

³ For Bayer, the market-based method of the GHG Protocol most reliably reflects the values for Scope 2 emissions and the success of emissions reduction measures, so we apply emissions volumes calculated using this method when calculating the total and specific GHG emissions.

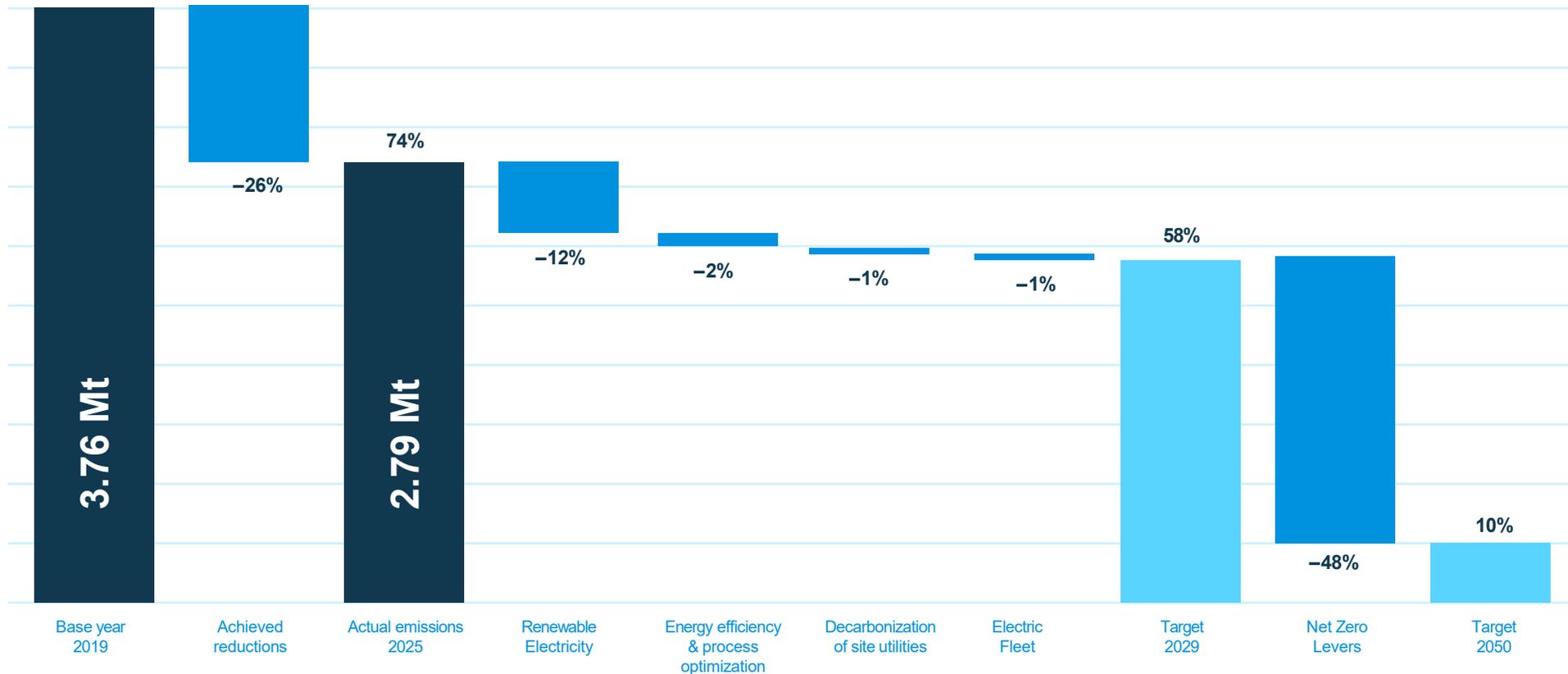
Sources of Greenhouse Gas Emissions at Bayer



⁴ Steam, cooling, other than electricity

⁵ Million metric tons of CO₂ equivalents

Reduction Levers Own Operations (Scope 1 and 2)



We have developed a Net Zero roadmap to achieve our ambitious climate targets. This roadmap for Scope 1 and 2 comprises various measures with different magnitudes of impacts. To implement our long-term climate strategy, we focus on reducing the GHG emissions associated with our operations and on strengthening the resilience of our business areas. Furthermore, reducing our own emissions will become increasingly challenging in case of organic business growth, as we would need to compensate such growth with additional reduction measures.

Assessing Emissions on Site Level

Emissions are directly measured by sites and reported once a year via an environmental reporting system. With our global engineering colleagues, we are gradually reducing these emissions.

Hurdles

So far, we are on track, but hurdles to reducing our own emissions remain. At a local level, many regulations are not yet in place to enable actual

emission reduction. Global investments in renewable production, availability, and energy grids need to be prioritized and supported. Specifically, the regulatory framework and infrastructure to reduce hard-to-abate chemical process emissions are not available and are at best in the piloting phase.

Disclaimer: The levers and associated reduction potentials reflect our current knowledge. This will be further developed and adjusted over the years.

Reduction Levers Own Operations

UNTIL 2029

RENEWABLE ELECTRICITY:

By end of 2029 we plan to source 100% of our purchased electricity from renewables, respecting specific criteria such as additionality and geographical proximity. In 2025 51,2% of our purchased electricity stems from renewable sources.

ENERGY EFFICIENCY AND PROCESS OPTIMIZATION:

We have reviewed, prioritized, and significantly revised our capital expenditures estimation, now planning further investments of approximately €100 million in our plants and buildings to achieve our climate targets through 2029. This includes process innovations, efficient technology and optimized energy management systems.

DECARBONIZATION OF SITE UTILITIES:

At various sites we are partnering with our suppliers to implement renewable and lower GHG footprint utilities. Projects are underway to advance the use of climate-neutral technologies including geothermal energy and emissions-free steam production.

ELECTRIC FLEET

By 2030 we aim to transition our roughly 23,000 vehicles to electric where feasible. Bayer joined the EV100 initiative of the Climate Group and has validated its activities according to the criteria.

UNTIL 2050

NET ZERO

We aim to achieve Net Zero by 2050 or sooner. Our expert teams are constantly working on this target understanding emission sources and reduction methods. We plan to use a mix of actions including:

- // Energy efficiency and process optimization
- // Renewable electricity
- // Technological innovation incl. carbon capture and storage

Significant barriers include unsupportive global policies, lack of a globally aligned playing field, challenges in passing costs to customers, insufficient governmental infrastructure funding and solutions still in the piloting stage. Additional GHG emissions from organic growth are further reduced accordingly.

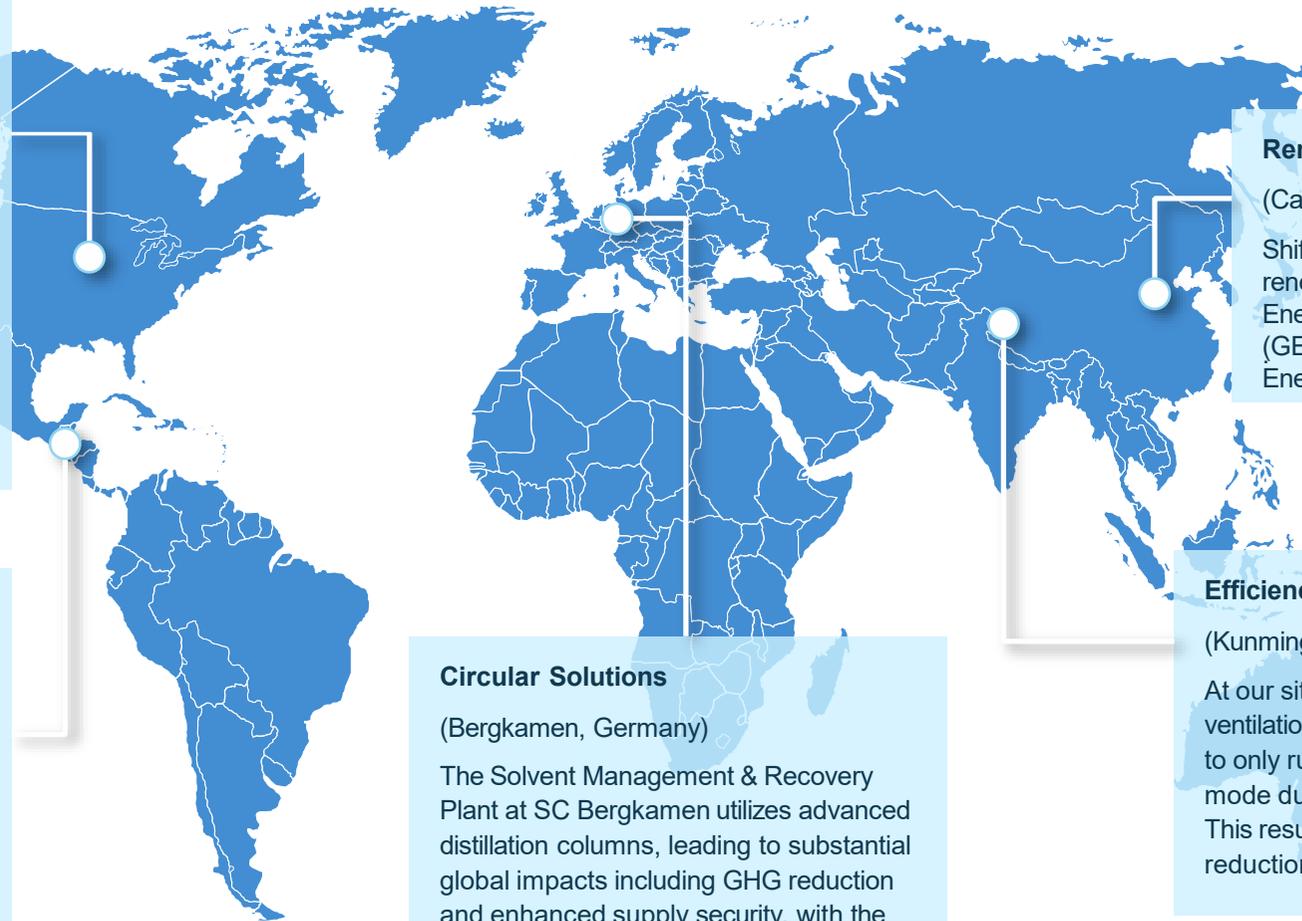


One key factor in decarbonization is the shift to renewable energy sources. We have set criteria to ensure the highest quality level of supply for Bayer.

Sabrina Ritterbach,
Energy & Renewables Global Lead



Decarbonizing Bayer's Own Operations Around the World



Renewable Energy

(Cat Creek/Soda Springs, United States)

Bayer has entered a significant renewable energy agreement with a planned supply volume of 1.4 terawatt hours annually aiming to transition to renewable sources by procuring 60% of its US sites' electricity from renewable sources by 2028.

Renewable Electricity

(Canlubang, Philippines)

Shifted from Meralco (non-renewable source) to Green Energy Option Program (GEOP) – 100% Renewable Energy

Efficiency

(Guatemala City, Guatemala)

At one of our sites, we improved our ventilation and air conditioning to avoid unnecessary humidification in the dry season (overcooling and reheating). The site was able to reduce energy consumption and 18% of its GHG emissions permanently.

Efficiency

(Kunming, China)

At our site, we modified ventilation and air conditioning to only run in full operation mode during production times. This resulted in relevant reductions of energy usage.

Circular Solutions

(Bergkamen, Germany)

The Solvent Management & Recovery Plant at SC Bergkamen utilizes advanced distillation columns, leading to substantial global impacts including GHG reduction and enhanced supply security, with the implementation of acetone recovery marking a significant milestone in reducing the site's carbon footprint by around 50,000 tons of GHG emissions.

Further examples can be found in our [Annual Report](#)

Bayer's GHG Inventory Scope 3

By end-of 2029 we aim to reduce GHG emissions from the value chain (Scope 3) by 25%, compared to our base year 2019, following the criteria of the Science Based Targets initiative (SBTi). This target was set first in 2020 and updated in 2024 – and both times validated by SBTi. Yet, reducing Scope 3 emissions remains a challenge.

To achieve reductions in the supply chain, we are intensifying our collaboration with suppliers, such as by promoting the increased usage of renewable energies or by having clear requirements on climate protection and the use of renewable energy in our [Supplier Code of Conduct](#).

All procedures applied by Bayer in the individual Scope 3 categories are described in detail in our [Annual Report](#) as well as the [CDP Report](#).

FROM SPEND-BASED INTO HYBRID

Achieving our Scope 3 target requires truthful and consistent information about our suppliers' performance. We started incorporating PCF data from credible external databases as well as PCFs provided by our suppliers into our Scope 3 inventory. So, we are transitioning from a pure spend-based inventory, in which only macro-economic emission factors are applied, to a hybrid inventory, which considers product-related information. This allows us to better track emission reductions and our target achievement.

VALUE CHAIN ACTION IS KEY

Our top 218 suppliers represent about 38% of our total Scope 3 emissions in 2025. About 36 of them have set 'near-term' Science Based Targets (SBTs) or committed to do so shortly. This relates to about 0.1% of our Scope 3 emissions in 2025. To achieve our Scope 3 reduction target, it is essential that more suppliers set themselves SBTs or equivalent targets. Plus, additional measures need to be implemented beyond those already in place.

We engaged in 2025 again in various initiatives to drive decarbonization in the value chain, including: EcoTransIT, Energize, PACT, PSCI, Scope 3 Peer Group, SPP, TfS, and WBCSD (details to be found in the Bayer Impact Report 2025).

Greenhouse Gas Emissions in the Value Chain (Scope 3)

Million metric tons of CO2 equivalents	2019	2024	2025
Scope 3: Indirect emissions from our upstream and downstream value chain (by materiality) ^{1,2}	10.34	8.82	9.10
of which (3.1) purchased goods and services	6.62	5.87	6.25
of which (3.2) capital goods	0.51	0.37	0.36
of which (3.3) fuel- and energy-related activities	0.73	0.64	0.67
of which (3.4) upstream transportation and distribution	0.78	0.85	0.82
of which (3.5) waste generated in operations	0.35	0.30	0.27
of which (3.6) business travel ⁴	0.30	0.21	0.13
of which (3.7) employee commuting	0.12	0.12	0.11
of which (3.8) upstream leased assets	0.002	0.002	0.004
of which (3.9) downstream transportation and distribution	0.03	0.02	0.02
of which (3.10) Processing of sold products	0.07	0.05	0.09
of which (3.11) Use of sold products	0.005	0.005	0.005
of which (3.12) end-of-life treatment of sold products	0.72	0.27	0.29
of which (3.13) downstream leased assets	0.10	0.10	0.10
of which (3.14) Franchises	n/a	n/a	n/a
of which (3.15) Investments	0.009	0.015	0.004
Progress in reducing Scope 3 emissions relative to the base year 2019 ³		-14.7%	-12.0%

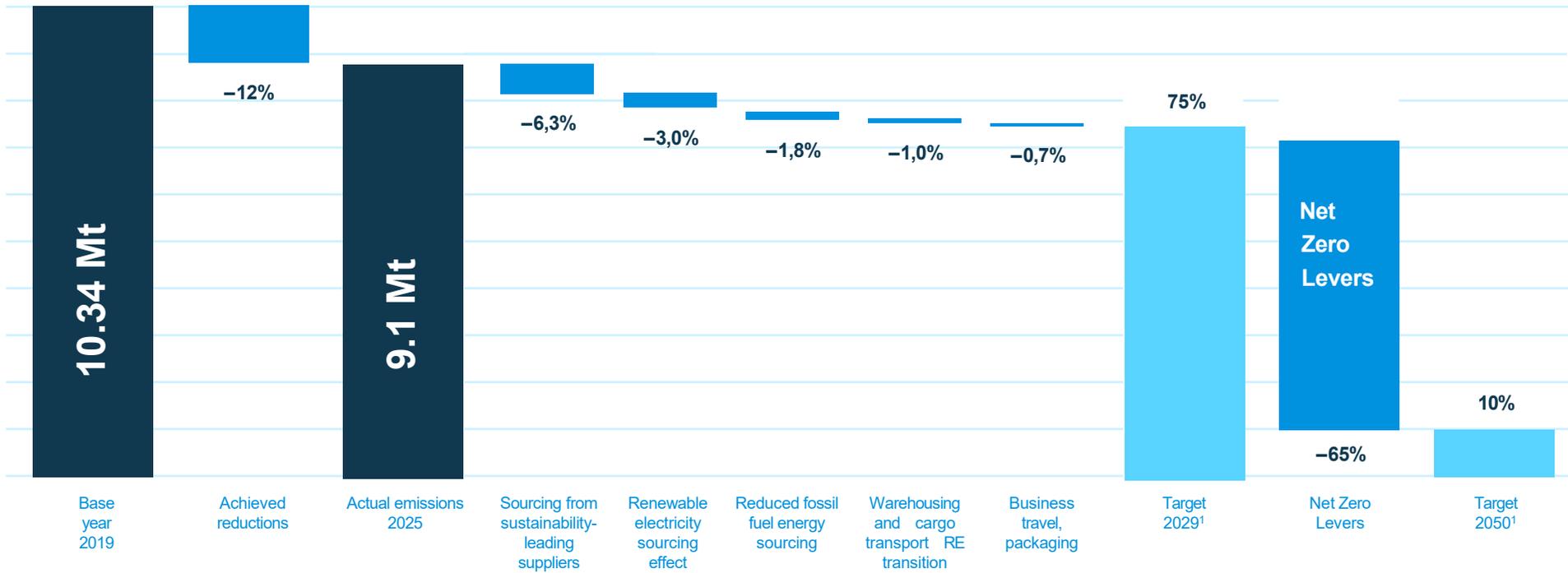
¹ Previous years' figures restated.

² We report all fifteen Scope 3 categories in our Scope 3 inventory; Since we do not engage in franchise activities, category (3.14) is not applicable. All reported categories are considered in our target inventory.

³ end-of 2029 target: 25% reduction

⁴ All greenhouse gas emissions from air travel in 2020, 2021, 2022, 2023, 2024 and 2025 were offset voluntarily and independent of our SBTi target.

Reduction Levers Value Chain Scope 3



Action across the Value Chain

Our ambition to achieve Net Zero by 2050 or sooner includes our Scope 3 emissions¹. This task is particularly difficult because we cannot directly control the required decrease in GHG emissions caused by our suppliers or customers. Furthermore, mitigating emissions in our value chain (Scope 3) becomes increasingly challenging as our business expands. Any organic growth has to be additionally compensated for.

Significant Barriers

So far, we are on track, but significant barriers to reducing Scope 3 emissions remain. Collective action is required to drive activities forward. Global policies are currently not designed to support the

transition. In addition, there is competition and a lack of global alignment. The absence of common action across industries and the lack of a level playing field are hampering the transition. We need to see further governmental action and investments to initiate and accelerate the transition, especially in terms of infrastructure (e.g., green hydrogen network, renewable electricity and electricity grid extension, digitalization of electricity networks).

Transparency Is Key

We understand our emission sources and strive to implement actions for each relevant category. Since we cannot directly implement actions, the reduction levers for Scope 3 are very different compared to Scope 1 and 2.

¹ We updated in 2024 our near- and long-term Scope 3 targets, together with the Science Based Targets initiative.

Disclaimer: The estimates of the reduction potentials were updated in 2025, reflecting our latest insights from changing our inventory methodology, our process of updating our SBTs, as well as our latest interactions with suppliers.

Reduction Levers Value Chain Scope 3

UNTIL 2029

ENGAGEMENT AND SOURCING FROM SUSTAINABLE SUPPLIERS

We have outlined our climate expectations in our Supplier Code of Conduct, mandating suppliers to prioritize climate protection and set emissions reduction targets – our Supplier Code of Conduct can be downloaded [here](#). We aim to partner with suppliers committed to emission reduction and decarbonization, integrating supplier’s decarbonization maturity into decision making processes. Together with selected suppliers we, continue to invest in low-carbon product deals to accelerate the decarbonization. These selected deals are accompanied by the switch from fossil-based ingredients towards plant-based ingredients.

RENEWABLE ELECTRICITY

Bayer expects the transition to renewable electricity to be a critical lever for decarbonization, both in our own operations and among our suppliers. Suppliers should aim for 100% renewable electricity by 2030 and continuously improve energy efficiency. We will support our suppliers in this transition, emphasizing the importance of adhering to purchasing requirements such as the approach and criteria of RE100.

ELECTRICITY TRANSITION IN WAREHOUSING & CARGO TRANSPORT

Our warehousing and logistics providers are crucial for decarbonizing our supply chain, focusing on renewable electricity and fleet electrification, while leveraging digital technologies to optimize logistics strategies, reducing emissions through less air transport and more rail and waterway use. As a member of the EcoTransIT World Initiative, Bayer adopted the EcoTransIT system in 2023 to calculate and standardize transport-related GHG emissions globally.

OTHER (REDUCED BUSINESS TRAVEL, PACKAGING, FUEL SOURCING ACTIVITIES ETC.)

We are committed to keep track on emissions due to business travel employee commuting, packaging and making impact with several initiatives.

UNTIL 2050

At this point, actions across industries are insufficient and political signals are mixed. Therefore, we have decided not to quantify the individual contributions of the different reduction levers for the time between 2030 and 2050. Likewise, we are not disclosing any information on potential investments as there are too many uncertainties.

INNOVATIVE TECHNOLOGIES

Availability at scale and cost of innovative technologies (carbon capture and storage, hydrogen blending, etc.) will drive next-gen decarbonization.

NEW PRODUCTS

We are working relentlessly to innovate our future products and to reduce their greenhouse gas footprint (e.g., finding new synthesis routes). As an example, in the research and development (R&D) of new radiology products, we have begun introducing sustainability criteria according to a “sustainability by design” approach. We want to examine the sustainability of future radiology products at various stages of R&D using sustainability checkpoints.

POLICIES AND REGULATIONS

Consistent and strong policies and regulations globally will ensure action by all players across our value chain.

Life Cycle Assessments Are Crucial to Steer Transformation to Stay Competitive

Product Environmental Footprints

With increasing importance, we, but also our customers, will steer environmental improvements such as emission reduction processes on product level (Product Carbon Footprints (PCF) as part of Life Cycle Assessments (LCA)).

We are further developing our internal systems and collect climate-related data from our suppliers, particularly the PCFs of the products we procure.

We are aiming to standardize the calculation of LCAs based on sector guidelines for the chemical and pharmaceutical industry. At the same time, the allocation approach for energies & waste are being improved within the value chain. We are calculating and sharing PCFs based on the Together for Sustainability guideline (TfS) in a cradle-to-gate approach in line with the Partnership for Carbon Transparency (PACT) of the World Business Council for Sustainable Development (WBCSD). PACT develops climate approaches across industries. As a member of the WBCSD, we are working on suitable measures there as well.

Steering the Impact

PCFs are becoming increasingly important. Especially in the Pharmaceuticals business, we observe tenders in countries like France, Spain, Denmark or the UK in which PCFs are mandatory. We are expecting that other countries will follow this approach soon.

In addition, we are asking for high quality environmental data from our suppliers and make sourcing decisions accordingly.

Example

A PCF pilot was certified externally already in 2023 by TÜV in which we determined the first Bayer PCF based on TfS sector guidance. Applying a cradle-to-gate approach, both upstream and our own greenhouse gas emission for a defined product unit were included. Building on lessons from the pilot, we standardized the calculation approach and obtained external certification for our scalable, TfS-based calculation method - first awarded in 2024 and maintained since - while sharing results with customers and using the findings to optimize products internally.



Dr. Sebastian Fischer, Performance Manager

“ LCA calculation is crucial to fulfill customer requirements as well as the identification and prioritization of CO₂ reduction potentials on product level.



Internal Carbon Prices to Steer Reduction

Scope 1 and 2

We are aligning our capital expenditures to our goal of achieving Net Zero GHG emissions by 2050. To drive this transition, we have established an internal CO₂e price of €100 per metric ton of CO₂e for the calculation of our capital expenditure projects.



Capital expenditure decisions: We perform a voluntary ecological assessment for capital expenditure projects exceeding €10 million. Emissions reduction and efficiency measures are integral to these evaluations.

Scope 3

We are collecting climate-related data from our suppliers, particularly the Product Carbon Footprints (PCFs) of the goods we procure. This data helps us identify emission reduction potentials and evaluate joint reduction projects with suppliers. Additionally, we are working on integrating decarbonization performance data into our sourcing decisions. To support this, we are further developing concepts to embed into our internal workflows. In 2025, we continued advancing our carbon pricing approach for Scope 3 emissions. Our goal is to apply a carbon price component during sourcing events to inform decision-making. This should provide an incentive for suppliers to develop products with a lower carbon footprint.



Shadow Price Approach

1. Understand the emissions of your options (activity, process, purchase, supplier, etc.)
2. Calculate delta in CO₂e emissions between different options, or with the PCF of the product sourced
3. Multiply shadow price of 100 EUR/t CO₂e with delta of the different options or the PCF
4. Add shadow price to business case and investment case to benefit the option with lower GHG emissions carbon footprint



Climate Contribution – Nature-Based Solutions



We are focusing on emission reduction while building up nature-based solutions. Carbon contribution is a process by which funds are directed to projects that help avoid or remove global emissions beyond one’s own value chain. Our engagement in voluntary carbon markets and other ecosystem services are purely additional to our reduction activities.

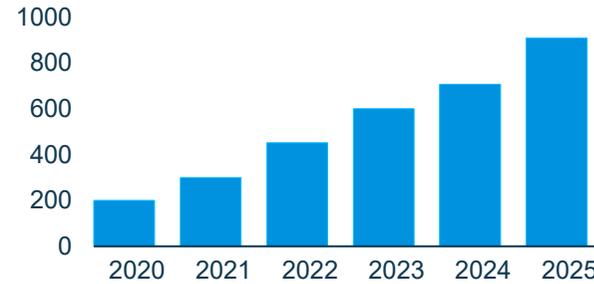
By 2030 we want to contribute the same volume we have in remaining emissions within our own operations. Applying clear criteria on these projects, we want to support voluntary carbon markets. To be transparent in activities is of utmost importance for us at Bayer. We publish details of every transaction we are undertaking to support the voluntary carbon market. You can find our strategy and criteria [here](#). In addition, Bayer is driving forward the implementation of climate smart



We believe that supporting contribution projects are an indispensable component of the global fight against climate change. We have established this voluntary program to contribute to build up nature-based solutions which are needed.

Daniel Schneiders, Director Climate Program

Climate Contribution in Kt of CO₂e



Overview and details to all projects can be found here: [Offsetting Strategy](#)

initiatives across the regions we serve. The goal is to learn how to scale the adoption of climate-smart solutions to create new value streams for our farming customers. This leads to new business opportunities for us that benefit the environment at the same time. In 2023, the first credits from our US Carbon Farming Program [ForGround](#) were brought onto the market.

Example of Our Engagement

Bayer is a founding member of the LEAF coalition to protect tropical forests.

Worldwide, trees absorb twice as much carbon as they emit. But many carbon sinks are threatened, and the world is off track to meet its forest conservation targets. In 2023 alone, approximately 3.7 million hectares of primary tropical forest were lost.



However, forest conservation is about more than avoiding emissions; it also brings invaluable co-benefits to people, their communities and biodiversity.

Collaborate and Engage with Stakeholders

We publicly commit to engaging our stakeholders, including suppliers, governments, regulators, scientific societies, trade associations, experts, consumers,

NGOs, and other businesses, toward achieving the goals of the Paris Agreement. We recognize the need for collective action across all sectors.

Advocating in Line with 1.5°C

We advocate for a climate position in line with our ambitious targets and demand that our partners also undertake action to reduce GHG emissions in accordance with the Paris Agreement. To ensure maximum transparency in this process, Bayer regularly publishes its Climate Advocacy Report since 2021.

In developing this approach, we have worked together with Climate Action 100+, an investor initiative that cooperates with the worlds' biggest companies on the issue of climate change.

The report assesses the alignment of our lobbying activities by comparing our own policy positions & actions (direct) and those of our industry associations (indirect) with Bayer's climate goals. Where differences between our position and lobby activities exist, dialogue enables us to take measures to close these gaps. Our latest achievements and the challenges that still lie ahead of us were published in our latest Climate Advocacy report in 2025.



The challenge we face requires a creative approach to engagement and collaboration.

Helga Flores Trejo,
Head International & Multilateral Affairs



Excerpt of Net Zero-related memberships and initiatives we are aligning with.



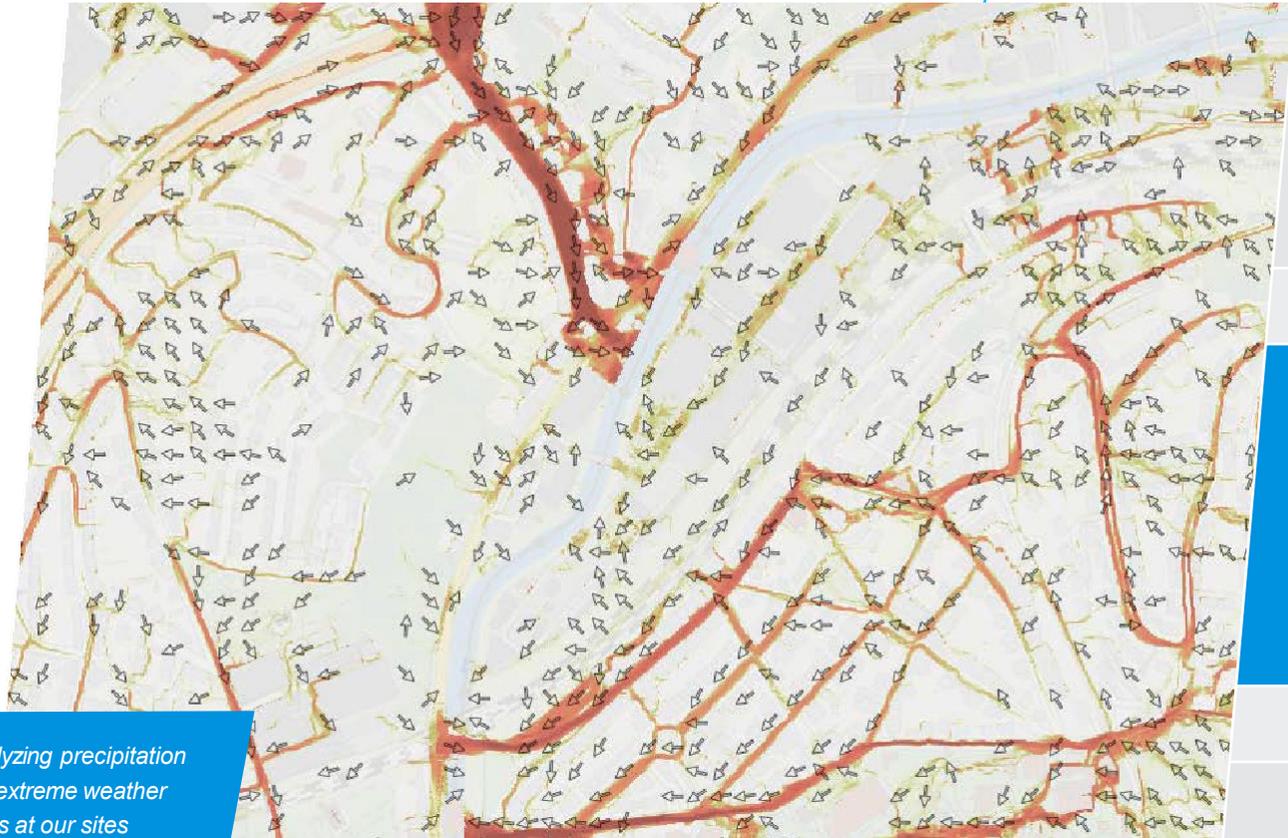
Adaptation: Ensuring Resilience in Own Operations and Supply Chains

It is essential that we deliver our products to our farmers, patients and consumers. This is the core of our business. To do this, we need to ensure that our business strategy, production processes and supply chains are resilient.

This is business continuity and of high importance to management across all levels of the organization. Therefore, adaptation at our sites is highly important. We have been including this in our Enterprise Risk Management system. Details of our ERM system are published in the [Bayer Annual Report](#).

We started to analyze the impact of climate change on Bayer's own activities as well as the upstream and downstream value chain. All climate models anticipate an increase in extreme weather conditions (such as drought, heavy rains and storms). In the IPCC forecasts, the intensity of such events varies widely from one region to the next.

While we have successfully managed to hold up our supply chains during the COVID pandemic, we witness a sudden and significant impact of weather anomalies on demand for specific product categories. In addition, we are expecting mid- to long-term shifts in demand patterns due to climate change.



Analyzing precipitation and extreme weather events at our sites (example [Wuppertal Starkregengefahrenkarte Wuppertal](#)).

© Starkregengefahrenkarte Wuppertal | Datenbasis CC-BY-4.0 – Stadt Wuppertal – [offenedaten-wuppertal.de](#)



Transformation to New Value Pools

Our climate-related **Transformation Plan** describes how we are adjusting our business to the actual and expected impacts of climate change, as well as how we can mitigate climate change beyond our boundaries.

The plan reflects our current status. Every year, we invest in R&D and new initiatives. Therefore, our plan will be updated on a regular basis.

Advancing Personal and Patient Health

On a warming planet, the stakes for our “Health for all, Hunger for none” mission have never been higher. There’s no doubt we need to approach this more sustainably and effectively than has been done in the past. And I know that Team Bayer is committed to delivering exactly that.

Daniella Foster,
Global Senior Vice President and Head of Public Affairs,
Science and Sustainability for Bayer’s Consumer Health Division



More than half of the world’s population does not have access to healthcare, due to policy, financial, and physical barriers. In this context, self-care solutions become critical to prevent and manage everyday health needs, which have a direct impact on a person’s ability to maintain their and their family’s livelihood.

Climate change is currently and will continue to have further negative impacts on human health. At Consumer Health we have a vision to help billions of people live healthier lives through trusted self-care solutions. We also target to reach 100 million people in underserved communities each year with self-care solutions by 2030, and in 2025 we reached

82 million. We reach people all over the world with the products and solutions of our Pharmaceuticals and Consumer Health divisions.

As part of our mission of “Health for all. Hunger for none” and the corresponding business strategy, we are addressing important medical needs and expanding access to our products and services, in both the prescription and over-the-counter sectors.

We have established dedicated teams to work towards the SDGs, in the areas we can strategically impact with new developments and greater access to products.

The ambitious vision of healthcare for all and gender equality is enshrined in the UN Sustainable Development Goals (SDG 3 and 5) and is shared by many around the world



MISSION

TRANSITION

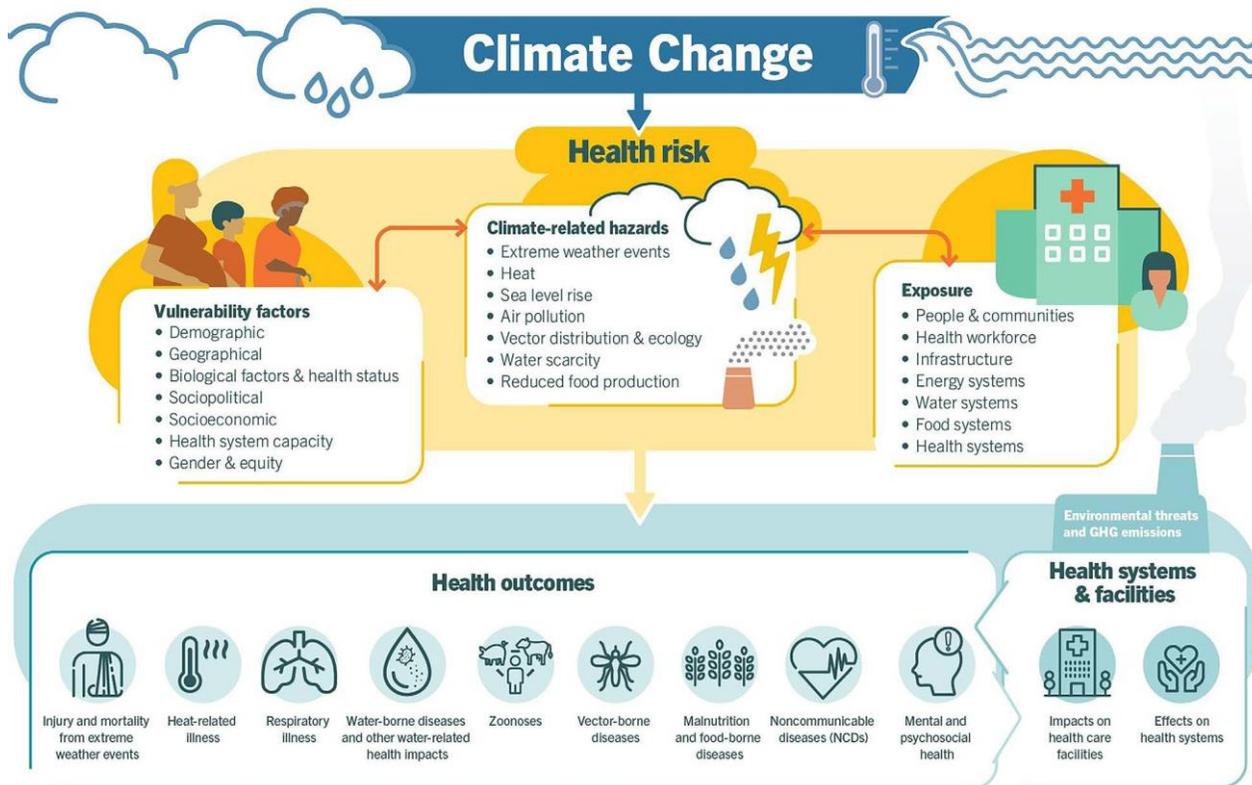
TRANSFORMATION

Climate Crisis Is a Health Crisis

The Intergovernmental Panel on Climate Change's (IPCC) Sixth Assessment Report (AR6) concluded that climate risks are appearing faster and will become more severe sooner than previously expected. Additionally, adapting to rapidly rising global temperatures will be more challenging. Climate-sensitive health risks are disproportionately felt by the most vulnerable and disadvantaged, including

women, children, ethnic minorities, low resource communities, migrants or displaced persons, older adults, and those with underlying health conditions. Scientific advances progressively allow us to attribute an increase in morbidity and mortality to climate change and more accurately determine the risks and scale of these health threats.

Source: World Health Organization: Climate change impacts on health, 2021 (who.int)



Source: World Health Organization: Climate change impacts on health, 2021 (who.int)

After assessing climate-change-sensitive health risks and their overlap with Bayer's expertise, product portfolio and industry networks, we have identified opportunities to help individuals adapt to and mitigate the impacts of climate change on their health in five areas:

- Heart Health
- Kidney Health
- Reproductive Health / Women
- Clear Breathing
- Nutrition
Hunger for none

COLLABORATION, PARTNERSHIPS & ENGAGEMENT

MISSION

TRANSITION

TRANSFORMATION

Meeting Medical Needs Associated with Climate Change

Focus on Patient and Consumer Needs

Heart & Kidney Health:

Rising temperatures and **heatwaves**, especially when combined with air **pollution**, increase risks for heart disease and kidney damage for the whole population, especially for **disadvantaged and vulnerable communities**.



EXISTING CAPABILITIES

Bayer has a large footprint in prevention and treatment.

Example: Bayer has partnered with Huma Therapeutics Limited (“Huma”), a leading global digital health company, and is introducing their innovative heart health screening tool in key markets around the world (e.g., the US and Saudi Arabia). The digital-only tool rapidly evaluates an individual’s risk for developing cardiovascular disease (CVD) over the next decade.



Bayer, GIZ GmbH, and Ghanaian health institutions have collaborated to co-design the Ghana Heart Initiative (GHI), an integrated pilot project aimed at enhancing the prevention, diagnosis, and management of cardiovascular diseases (CVDs) across all levels of care in Ghana. This was enhanced to conducting screenings for obesity, hypertension, and diabetes, while strengthening data collection systems to monitor NCD prevalence and healthcare outcomes, leading to the AYA initiative. As a next step, we have expanded this collaboration into a feasibility project in India, focusing on health strengthening in the area of NCDs.

Together with a group of eminent experts in climate and health, we are taking action to address the medical needs resulting from climate change. In doing so, we are maximizing our contribution to building health resilience around the world, with a special focus on vulnerable populations.

Michael Devoy, Bayer Chief Medical Officer



Meeting Medical Needs Associated with Climate Change

Focus on Patient and Consumer Needs



Sexual and Reproductive Health:

Women are on the front lines of climate change, with local socio-economic and cultural conditions amplifying the climate-related health risks on women’s fertility, pregnancy, lactation, breastfeeding, and menopause – worldwide, and for generations to come.



EXISTING CAPABILITIES

Bayer is funding multi-stakeholder aid programs to provide access to modern contraception for 100 million women per year in low- and middle-income countries (LMICs) by 2030. We are collaborating with the United Nations Population Fund, United States Agency for International Development, German Red Cross, Bill & Melinda Gates Foundation, and several other organizations to scale proven reproductive health solutions for women in LMICs.



Clear Breathing:

Preventing severe respiratory illnesses is crucial, as rising airborne allergens and pollution negatively impact breathing, particularly in regions like North America and Northern Europe. Additionally, asthma is increasing in urban areas of India and China, especially among disadvantaged and vulnerable communities.



EXISTING CAPABILITIES

Bayer’s **allergy** ecosystem includes a **pollen forecast** to help individuals prepare ahead of peak days and offers prescription-strength OTC solutions in the US.

Meeting Medical Needs Associated with Climate Change is Dependent on the Availability of Essential Nutrients



Nutrition:

Rising CO₂ concentrations increase the **frequency and severity of extreme weather** and decrease the **nutritional quality** of grown food. This is worsening malnutrition which disproportionately impacts women, girls and rural communities.



EXISTING CAPABILITIES

Bayer covers the full spectrum of micronutrient sources, from food to supplements, including **vegetable seeds**, tailored to the local diet for smallholder farmers, adapting **nutritional supplements for affordability and accessibility** in emerging markets, advocating to make comprehensive **prenatal supplementation** the standard of care in LMICs, and investing in nutrition **education**, from fruit and vegetables to the importance of essential nutrient supplementation.



Example: Our flagship nutrition access program, The Nutrient Gap Initiative, aims to **enable access to essential vitamins and minerals to 50M people in underserved communities per year by 2030**. The initiative tackles the three main barriers to access: Intervention (physical and financial access to vitamins and minerals, from food to supplementation), Education through partnerships and our brands (with consumers, healthcare professionals, farmers, etc.) and Advocacy (cross-sector collaboration, advocating for greater access to nutrition). In 2025, we reached 38M people in underserved communities with our nutrition portfolio (fruits, vegetables, nuts and seeds) and essential supplementation.

Bayer was ranked **#1 in Healthy Food Systems in the 2025 Food and Agriculture Benchmark**, which assessed 350 of the most influential food and agriculture companies around the world, up from #23 in 2021. The Nutrient Gap Initiative was highlighted as the leading practice for making nutritious food and solutions available. Further Information can be found here: [The Nutrient Gap Initiative](#).



FOOD

Solutions to grow fruits, vegetables, grains, animal proteins

Education for better nutrition



SUPPLEMENTS



Essential supplementation

Advocacy for better nutrition

Enabling Regenerative Agriculture Through Our Innovation Engines



While climate change affects us all, farmers are especially exposed to the impact of increasingly extreme weather conditions including drought, severe heat, flooding or other shifting climatic trends. At Bayer, we're working to scale the adoption of regenerative agriculture practices by our farming customers.

Natasha Santos,
Vice President and Head of
Sustainability & Strategic Engagement
for Bayer's Crop Science Division

How can we grow enough to feed and fuel the world around us? Can we create a more sustainable, healthy and resilient food system while helping farmers produce more with less? We believe we can, even as climate change, declining natural resources and supply chain issues make the job even more complex. At this pivotal moment, we need break-through technologies for a smarter

approach. We need science and smart systems to optimize our inputs and outcomes, and we need to do it all in a way that sustainably benefits the environment and growers. Put simply, we need to do things differently – and this is where regenerative agriculture comes into play.

Here you can find our [Agriculture Targets](#)

Our efforts in R&D and innovation contribute to the following [UN Sustainable Development Goals](#):



Focus Climate Change and Agriculture

Growing Population



Pressure on Ecosystems



+2.2bn



people on the planet by 2050¹

+50%



more food and feed required to meet growing demand²

>3bn



people live in areas with high water shortages³

-17%



harvest losses from climate change⁴

-20%



loss in arable land per capita by 2050⁵

-90%



Of all soils to be degraded by 2050⁶

Broadening our Sustainability Approach with a Regenerative Focus

Two of the most globally recognized challenges the planet must face by 2050 are food security and climate change. From a farmer's perspective, climate change is projected to reduce harvest yields by 17% by 2050 while arable land is expected to decrease by 20% in the same time period. Moreover, our global population is expected to increase by 2.2 billion people by 2050. Combined with climate change impact, this means the planet will need to increase food and feed output by 50% to meet future food demand.

Climate change poses significant challenges for agriculture, primarily through increased frequency of extreme weather events such as floods, droughts, winds and wildfires. Over the past decade, these events have led to substantial crop losses and instability for farmers – which have tripled in the last 50 years – endangering global food security.

¹ UNDESA 2017 (United Nations Department of Economic and Social Affairs, Population Division (2017). World Population Prospects: The 2017 Revision)

² FAO 2017 (FAO Global Perspective Studies)

³ FAO, 2020 (Water Scarcity | UN-Water (unwater.org))

⁴ Nelson et. al (2014); FAO 2016 "Climate change and food security"

⁵ FAOSTAT for 1961-2016 data on land, FAO 2012 for 2030 and 2050 data on land, and UNDEDA 2017: World Population Prospects for world population data

⁶ FAO, Saving our soils by all earthly ways possible | FAO Stories | Food and Agriculture Organization of the United Nations

⁷ Our reduction target refers to an overall base year greenhouse gas intensity that includes the weighted emission intensities of 17 crop-country combinations (CCCs). In 2024, the CCC Australia-Cotton was removed from the scope due to the unavailability of data. Base years are defined individually for each CCC, using data from either harvest year 2021 or 2022 depending on the availability of data. Base years were adjusted in 2024 due to additional data requirements based on an updated GHG calculator methodology and lack of data availability from prior years.

⁸ The CCCs Italy-Corn and Spain-Corn were not selected based on these factors but were additionally included because data were already available.

Our Target

-30% by 2030

We aim to enable our farming customers to reduce their on-field greenhouse gas emissions per mass unit of crop produced by 30% by 2030 compared to the overall base year emission intensity.⁷ This applies to the highest greenhouse gas emitting crop systems in the regions Bayer serves with its products.⁸

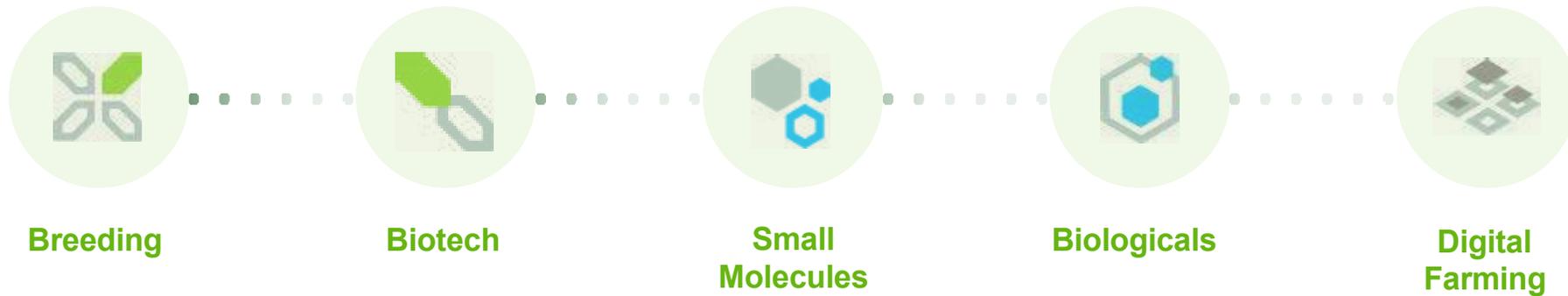
Our Approach

Since 2021, we have been conducting detailed climate change impact assessments across our organization with a special focus on agriculture. The transformation is directly anchored within the business areas and our Crop Science Strategy department. Our vision is powered by innovation engines, with a special focus on enabling **Regenerative Agriculture practices**.

Our Progress

Based on the data collected for harvest years 2024 or 2025 (depending on the base year for the respective crop-country combination), our overall customers' greenhouse gas intensity weighted across all crop-country combinations in the scope of our target was reduced by 20% against the overall weighted base-year greenhouse gas intensity of 726 kilograms CO₂e per metric ton of crop produced. The reduction was mainly driven by lower greenhouse gas intensity for India rice and US cotton.

Focus Climate Change and Agriculture



The combination of these innovation engines differentiates us from our competitors and allows us to think differently about how agriculture can work as a system, bringing sustainability targets into our core business.

Our innovations significantly benefit farmers globally, leading the agricultural sector with over €2.0 billion invested in R&D annually and a workforce of approximately 7,300 in more than 60 sites worldwide.

We further extend our innovative impact through our Leaps by Bayer venture capital arm, with 20 active companies focused on sustainable productivity and nutrition.

Focus on Breeding

Breeding plants to be more resilient and adaptable to these changing conditions is a proactive approach to ensure food security and agricultural sustainability. Here are some key objectives:

- 1. Increased resilience to stress:** Plants bred for resilience can better withstand stressors such as drought, heat, salinity, and flooding.
- 2. Improved resource use efficiency:** Plants can be bred to use water and nutrients more efficiently, which is vital in areas where water is scarce or soil quality is poor.
- 3. Resistance to pests and diseases:** Climate change can lead to the spread and increased prevalence of certain pests and diseases.
- 4. Adaptation to changing growing seasons:** As climate patterns shift, so do the lengths and conditions of growing seasons.

At Bayer, our efforts in breeding plants that can safeguard yields and enable them to thrive in a rapidly changing climate are part of our broader commitment to sustainability and innovation in agriculture.

Examples on the following slides:

Preceon™ Smart Corn System, Direct seeded rice (DSR)



Regenerative Agriculture

Increasing Agricultural Production, Farm Incomes and Resilience in a Changing Climate While Protecting and Renewing Nature – At a Significant Scale.

We aim to transform agriculture by driving forward a more sustainable food system guided by our vision of regenerative agriculture and a multi-season, multi-crop system approach focused on delivering against outcomes. The transformation towards regenerative agriculture can significantly contribute to both:

- // Through regenerative agriculture and agricultural solutions, we see a market potential to reduce global GHG emissions by ~1Gt¹
- // Strategically adapting and innovating our business, creating value for our farmers considering the increasing impacts of climate change

Our mission is to transform the agricultural sector at scale on the basis of regenerative farming and to create a more sustainable food production system. For us, regenerative agriculture is an outcome-based production model based on two key building blocks: productivity, which focuses on helping farms to produce more with less; and regeneration, which focuses on delivering a positive impact on nature.

Key outcomes we strive for are yield increase and improved social and economic well-being of farmers and communities, and positive impact on nature, which can be achieved, for instance, by improving soil health, reducing on-field greenhouse gas emissions, and increasing carbon sequestration to mitigate climate change, restoring biodiversity and conserving water.

Further information can be found here: [Regenerative Agriculture](#)

¹ From 59Gt global GHG emissions (reference year 2019; source: IPCC AR6 WGIII Full Report 2022)

Outcomes of Regenerative Agriculture

-  Yield increase and improved productivity
-  Social and economic well-being of farmers and communities
-  Improved soil health
-  Mitigation of and adaptation to climate change
-  Preservation and restoration of biodiversity
-  Conservation of water

MISSION

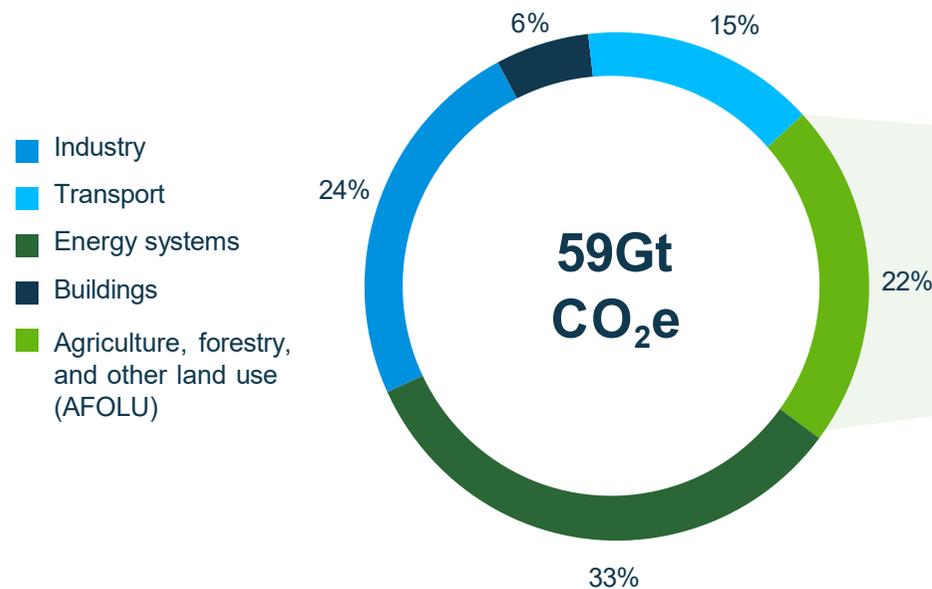
TRANSITION

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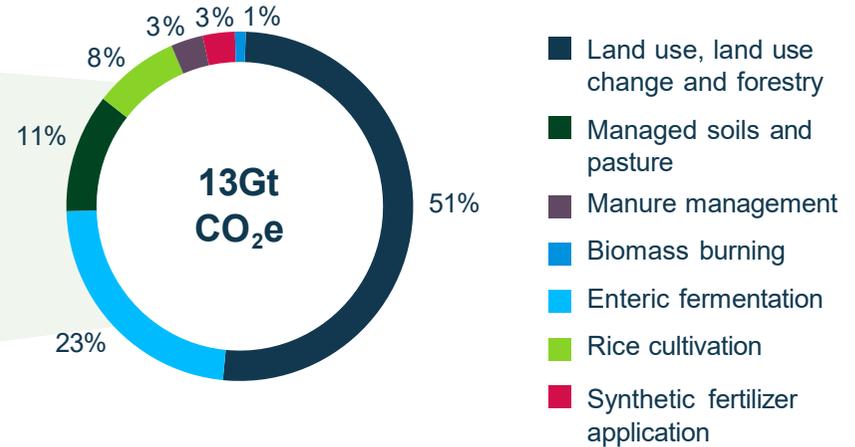
Agriculture Holds Huge Potential for Reducing GHG Emissions

The Agriculture Sector Can Unlock Adjacent Spaces for Greater Impact.

Direct Global GHG Emissions By Sector ¹



Agriculture, Forestry and Other Land Use – Global GHG Emissions by Subsector¹



Through Regenerative Agriculture and Agricultural Solutions, We See a Market Potential to Reduce Global GHG Emissions by ~ 1Gt

As leaders in agriculture, we have a unique opportunity to restore nature and scale regenerative agriculture practices. These adjacent opportunities can significantly reduce CO₂e emissions while creating new business opportunities for farmers who produce feed, food, fuel and fiber.

We are actively innovating and providing solutions to support global mitigation efforts, including scaling and fostering systems that support the adoption of smart climate practices (such as no-till, crop rotation, cover crops, etc.) in agriculture; helping farmers provide feedstock to support biofuel production in order to phase out fossil fuel; and advancing precision agriculture innovation.

¹ From 59Gt global GHG emissions (reference year 2019; source: IPCC AR6 WGIII Full Report 2022).

Multiple Farm Management Practices Support Climate Mitigation and Deliver Environmental Co-benefits

Carbon Sequestration Under Improved Cropland Management
Agriculture provides the second largest share of greenhouse gas emissions mitigation potential, with improved cropland management providing medium confidence mitigation potential of 0.3-3Gt CO₂e per year¹.

Cropland management practices include reduced and no-till practices, which play a crucial role in mitigating climate change by sequestering carbon in agriculture soils.

Bayer supports improved cropland management practices, including through its herbicide (e.g. glyphosate) and trait portfolio, which allows for better crop rotations and reduced / no-till practices. This in turn also provides socioeconomic benefits to the farmer by reduction of labor and mechanization costs².



Bayer is driving forward the implementation of regenerative agriculture programs in every region we serve. Bayer's Global Ecosystem Services support farmers and companies across the value chain to accelerate the adoption of more regenerative agriculture practices and digital technology.

Bayer provides agrifood traders with data analytics on greenhouse gas footprint, for forest preservation and other nature-related and social issues of their value chain. In Argentina, for instance, as part of our initiative PRO Carbono Commodities, Bayer has partnered with Viterra and aims to reach 2 million soybean hectares and expand into other agriculture commodities such as corn, wheat, barley and sunflower.



*Sources
IPCC: Mean of 1.5 Gt of global soil carbon sequestration (0.3-3Gt CO₂e/yr) Statista: 1.5bn passenger cars worldwide emit 3Gt CO₂e emissions annually

¹ IPCC, 2019: Climate Change and Land: an IPCC special report on climate change, desertification, land degradation, sustainable land management, food security, and greenhouse gas fluxes in terrestrial ecosystems [P.R. Shukla, J. Skea, E. Calvo Buendia, V. Masson-Delmotte, H.-O. Pörtner, D. C. Roberts, P. Zhai, R. Slade, S. Connors, R. van Diemen, M. Ferrat, E. Haughey, S. Luz, S. Neogi, M. Pathak, J. Petzold, J. Portugal Pereira, P. Vyas, E. Huntley, K. Kissick, M. Belkacemi, J. Malley, (eds.)], Cambridge University Press, Cambridge, UK and New York, NY, USA, 896 pp. <https://doi.org/10.1017/9781009157988>

² FAO and ITPS. 2021. Recarbonizing global soils: A technical manual of recommended management practices. Volume 3: Cropland, Grassland, Integrated Systems and Farming Approaches – Practices overview. Rome, FAO. <https://doi.org/10.4060/cb6595en>

The Preceon™ Smart Corn System

Corn farmers face many hurdles, including pressure from weeds, pests, diseases and unpredictable weather conditions that have increased in frequency and severity. The Preceon™ Smart Corn System provides a solution to these heightened challenges with features that reap big benefits:

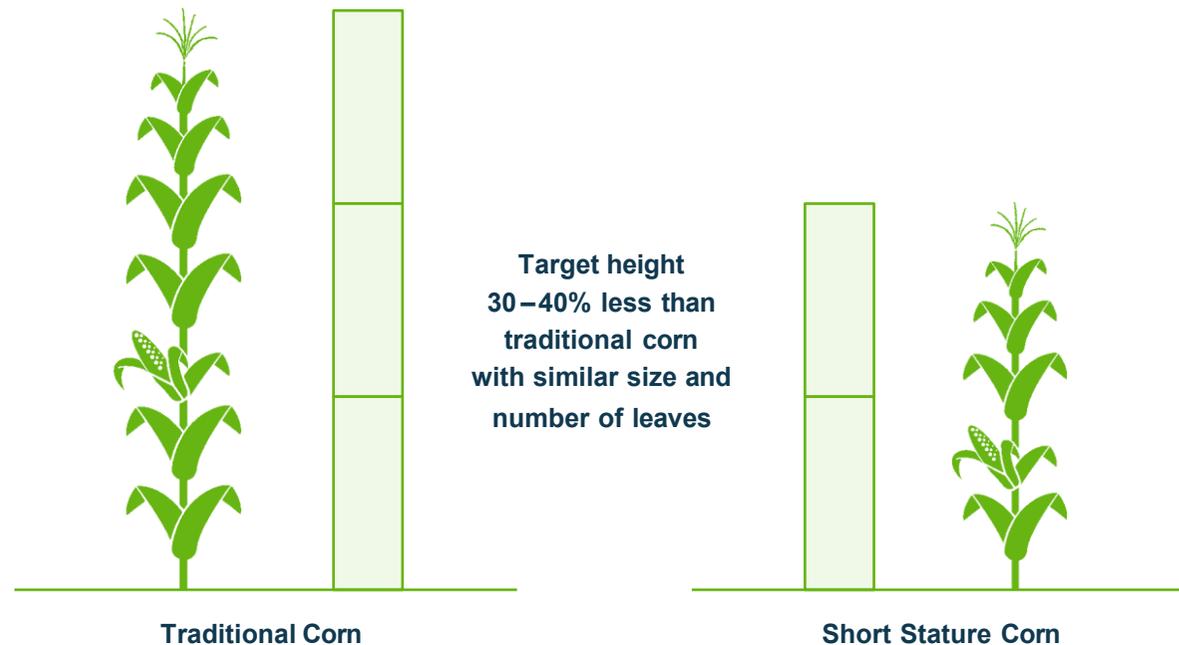
1. The system brings a new variety of hybrids, which are shorter in stature without compromising yield (short-stature corn hybrids). Beside the significantly improved lodging resistance in strong wind conditions, they provide extended in-season access to the fields – with standard equipment – and can generally be planted more densely than tall hybrids. The ability to use ground equipment, rather than having to access the crops aerially, also means an improved greenhouse gas footprint.

2. The Preceon™ Smart Corn System is an integrated system combining the short-stature hybrids with management practices, crop protection, digital solutions and agronomic advice, orchestrated to unleash the potential of each field tailored to individual conditions.

Combining the Preceon™ Smart Corn System with climate-smart practices enables corn farmers to produce corn more profitably and sustainably.

Further information can be found here:

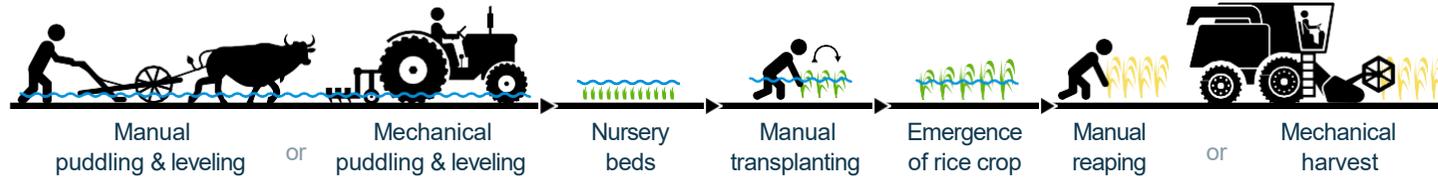
[Preceon® Smart Corn System](#) | [Bayer Traits](#) | [Crop Science US](#).



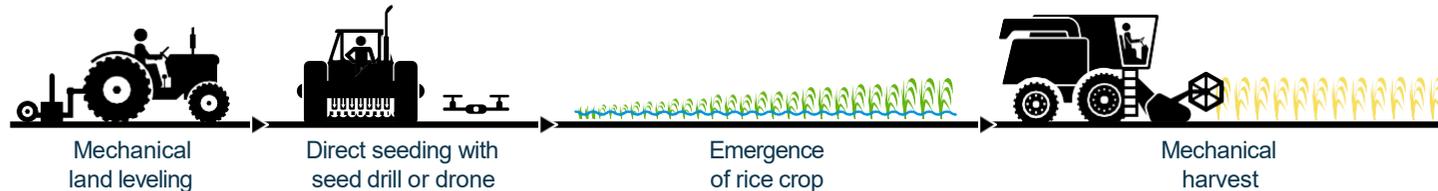
Direct Seeded Rice (DSR)

Transplanted Puddled Rice and Direct Seeded Rice

Transplanted Puddled Rice



Direct Seeded Rice



Rice is one of the most important staple foods in the world. Billions of people rely on a diet that includes rice every day – but the irrigation of rice crops is responsible for up to 43% of global freshwater use in irrigation.

Around 80% of the world’s rice is grown through water- and labor-intensive transplanted puddled rice cultivation, leading to increased methane emissions from non-percolating water in flooded fields. Seedlings are grown for two to three weeks before being moved to flooded paddy fields, where constant water levels are maintained to support growth until the fields are drained just before harvest (90 to 130 days later) for grain maturation.

One of the most promising solutions to support a sustainable rice production is direct seeded rice. Direct seeded rice is a technology-driven and less resource-intensive cultivation system. Moving from traditional transplanted puddled rice cultivation to direct seeded rice can help farmers reduce water use by up to 40% and can reduce greenhouse gas emissions by up to 45% (by reducing methane emissions from the flooded rice fields) and improved soil health.

In addition, farmers can reduce their dependence on manual labor by up to 50%. Using direct seeded rice cultivation methods enables direct seeding without labor-intensive manual transplanting of the rice seedlings.

We are building entire systems driven by climate-resilient rice hybrids, a high-performing crop protection portfolio, and digital advisory and machinery services. Furthermore, we are offering potential additional revenue streams from carbon certificates through our Bayer Carbon Initiative to incentivize farmers to adopt direct seeded rice cultivation systems – in line with Bayer’s approach to regenerative agriculture.

Further information can be found here:
[Direct Seeded Rice | Bayer Global Rice credits](#)

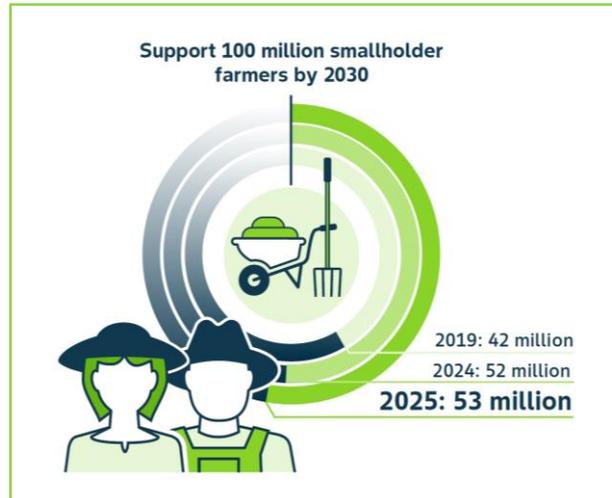
Access and Just Transition

Leverage Our Impact

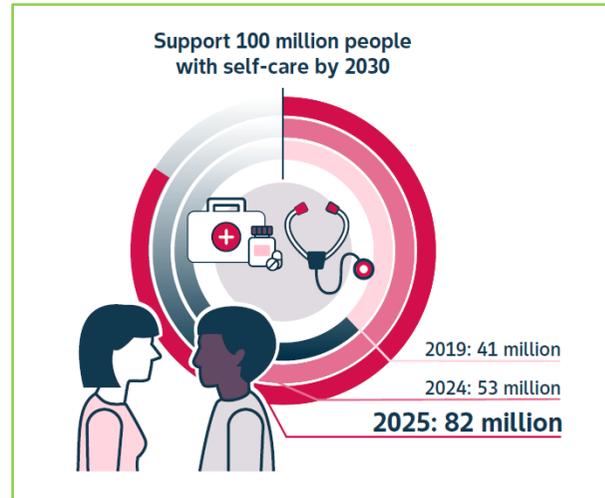
Bayer is committed to a just transition to a sustainable economy and advocates a favorable societal and political environment. We are constantly involving our stakeholders in developing just transition plans adjusted to their and our needs. Details can be found in our [Just Transition Approach](#).

Sustainability is at the center of our corporate vision “Health for all. Hunger for none” and comprises the following three core elements for all divisions:

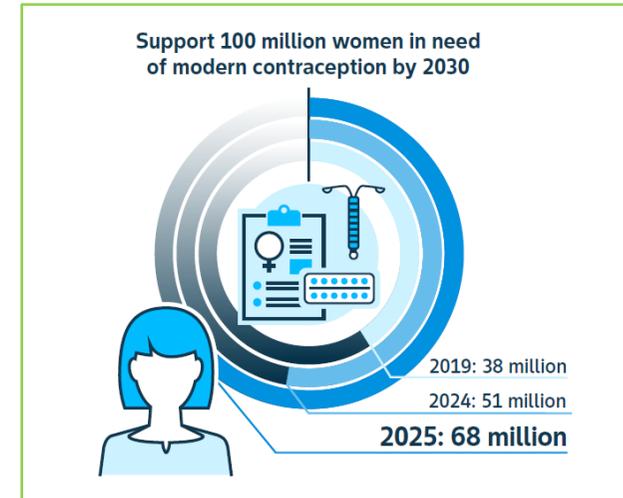
- // Inclusive growth and value added for society
- // Reduction of our ecological footprint
- // Responsible business practices along our value chain



By 2030, we will be supporting 100 million smallholder farmers in low- and middle-income countries each year with products, services and partnerships.



By 2030, we will be supporting 100 million people in economically or medically underserved communities each year with self-care.



By 2030, we will be satisfying the need of 100 million women in LMICs for modern contraception each year. We want to strengthen the role of women and intensify our efforts in modern family planning (aligned with the UN gender equality actions).

Further insights and the methodology can be found here: [Our Targets & Our Progress](#).



Transition and Transformation Planning and Reporting:

We are committed to continually advancing this transition and transformation plan by leveraging the latest tools, methodologies and data to accurately determine the climate impact on our operations and value chains. Additionally, we have started to quantify the investment needs and assess the financial impacts associated with our climate action path. This effort will ensure the necessary transparency regarding areas where further work is planned.

Our specific climate-related sources:

- // [Website – This is how we protect the climate](#)
- // [Annual Report](#)
- // [SASB](#), [TCFD](#) and [CDP](#)

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Daniel Schneiders
Linh Lou
Sustainability, Safety,
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Bayer on the internet:
www.bayer.com

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