

Corporate
Governance
Presentation

Annual Stockholder's Meeting April 27, 2021





Cautionary Statements Regarding Forward-Looking Information

This presentation may contain forward-looking statements based on current assumptions and forecasts made by Bayer management.

Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of the company and the estimates given here. These factors include those discussed in Bayer's public reports which are available on the Bayer website at http://www.bayer.com/.

The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.



Continued Responsiveness to Stockholder Feedback

Engaged stockholders representing more than 50% of outstanding shares in 2020

Including a **Fall Governance Roadshow**, led by the **Chairman of our Supervisory Board**, in which we engaged with **24 of our top stockholders representing almost 40%** of outstanding shares

Discussion Topics	Examples of Responsive Actions
Business Strategy	 Feedback from Governance roadshow and IR engagement provided valuable input for December strategy sessions and March Capital Markets Day Announced a specific action plan to accelerate our transformation, grow through innovation and create value for stockholders
Supervisory Board	 Refreshed board with new Chairman, 2 new independent stockholder representatives expanding skillset and geographical presence Expanded the Nomination Committee from 2 to 4 stockholder representatives
Board of Management	// Increased gender and ethnic diversity, global experience, strategic expertise, leadership skills, and ability to lead large-scale transformations with the appointment of Sarena Lin as Chief Transformation and Talent Officer
Remuneration Program	 Board of Management program redesigned for 2020 to incorporate sustainability targets and improve strategic alignment No changes as a result of COVID-19 Proposed update to design of Supervisory Board program for 2021 to reflect increased responsibilities, best practices and be competitive for talent
Risk Oversight & Glyphosate Litigation	 Announced a formal agreement to resolve vast majority of current RoundupTM product liability claims and established a framework to manage and resolve future cases Glyphosate Litigation Committee established to help resolve outstanding litigation, working with our external legal advisor Announced resolutions to other legal matters in the U.S.
Sustainability	 // Announced sustainability targets for 2030, received approval by Science Based Targets initiative // Launched Sustainability Council with world leading experts // Committed to enhancing sustainability disclosures by reporting against the SASB and TCFD frameworks // Approved Inclusion & Diversity key performance indicators and targets through 2030

Continued Responsiveness Strategic Priorities COVID Update Board and Governance Remuneration Sustainability



A Global Leader in Health and Nutrition

Our combination of businesses uniquely positions us to benefit from significant growth through Megatrends

Crop Science

Providing crop
protection and high
quality seeds to deliver
food and critical
nutrition to support a
healthy and growing
population while
easing pressure and
restoring ecosystems

Pharmaceuticals ¬

With our innovative products, we seek to achieve therapeutic benefit and better access for patients, while at the same time satisfying the growing requirements of physicians and health insurers

Consumer Health

Increasing access to
nonprescription
medicines, nutritional
supplements, and selfcare products to
encourage and support
the health of growing
and aging populations

Societal Megatrends Demand More food, feed &

10

World population¹

biofuel1 needed

プ 70%

More meat in developing nations¹ needed

Supply

<u>\$\$</u>

17%

Harvest losses from climate change¹

\$\$ \$\$ \$\$

12_m

Ha of agricultural land loss annually

20%

Reduction in arable land per capita¹

Science For A Better Life

We leverage science to address urgent societal needs – with the vision *Health for all, hunger for none*



Creating Value by Accelerating Our Transformation

Our focus areas for 2021 - to actively address the pandemic, ensure supply to customers and advance the transformation - build on our 2020 performance and activities including the advancement of product pipelines and investment in new technologies

Advancing Our Transformation of Bayer								
5 strategic priorities communicated at our Capital Markets Day in March to support our growth and value creation for stockholders over the longer term								
1 Enable Growth:	Clear plan for translating innovation into top-line growth							
2 Drive Profitability:	New transformation program building on synergy and current efficiency program							
3 Focus on Cash:	Strong capacity to generate cash							
4 Disciplined Capital Allocation:	Focus on deleveraging, dividends, and external growth investments							
5 Sustainability:	Inclusive growth by helping more people thrive and decreasing our ecological footprint							



Being Part of the Solution to the COVID-19 Pandemic

Leveraging our Capabilities



RESEARCH

Partnered with CureVac to make vaccine available 20+ Clinical studies supported with products Several research consortia joined



PROTECTION

600,000+ units of Personal Protection Equipment provided
 150,000+ liters of disinfectants produced
 Safe places for treatment of chronic patients created



MITIGATION

60,000+ PCR COVID-19 tests run at Bayer labs in Berlin
2,600,000+ Units of everyday healthcare products
4+ projects to provide psychological support of healthcare workers
Actively support vaccination centers, providing people and buildings



TREATMENT

Ventilators donated from Bayer's research facilities **Faceshields** produced in the Bayer Al labs



AWARENESS

6+ campaigns supported to protect vulnerable population groups **Employee awareness campaigns** provide vaccination education **Preparing to assist vaccination** of our people through medical infrastructure

Supporting Our Employees, Customers, and Communities

We are currently focused on:

- Partnering with CureVac to advance the further development, manufacture and supply of CureVac's COVID-19 vaccine candidate
- // The safety and well-being of employees and customers
- Reliably supplying customers with essential products for health and nutrition

These actions build on our early pandemic response where we:

- // Implemented safety protocols across our global workforce including:
 - Encouraging employees to work from home wherever possible
 - Applying extended safety and distance regulations for employees working on-site including in production facilities most affected by the outbreak
- Kept employees informed of updates provided by governments and health authorities and provided cloth masks to >100,000 employees
- Incorporated emergency response plans for all sites to ensure continued safe and effective operation
- Set up the Crisis Management Team, chaired by our CEO, which meets bi-weekly to discuss the pandemic, its implications, and the safety and well-being of employees

Continued Responsiveness Strategic Priorities COVID Update Board and Governance Remuneration Sustainability



Overview of Governance System & Recent Refreshment

Supervisory Board

(Control level)

- Oversees and advises Board of Management
- Directly involved in decisions on matters of fundamental importance to the company
- Responsible for the remuneration system of the Board of Management
- Comprises 50% stockholder (10) and 50%(10) employee representatives

advises, oversees, appoints, dismisses



reports to

Board of Management

(Executive level)

- Responsible for independently managing the company
- // Develops and executes Bayer's strategy
- Further areas of responsibility, e.g. budget, allocation of resources, risk management, external financial reporting

4 Independent Directors Appointed in the Past 2 Years

Recently Appointed Independent Directors⁽¹⁾

Fei-Fei I	_i e for election)	// //	Professor of Computer Science, Stanford University Brings prominent Artificial Intelligence experience with broad research interests, including in healthcare
	Weisser e for election)	// //	Former CFO and CEO of Bunge Limited Brings expertise in the agricultural industry as well as capital markets, finance and accounting
Horst Ba	aier 🥛	// //	Former Member of Board of Management, TUI AG Brings expertise in accounting and human capital management
Ertharin (joined Od		// //	Former Executive Director, UN World Food Program Brings expertise in nutrition and agriculture

Additional Updates

- ✓ Appointed Dr. Norbert Winkeljohann the new Chairman of the Supervisory Board
- Expanded and diversified the Nomination Committee from 2 to 4 members
- ✓ Appointed Horst Baier as Audit Committee Chair

New Appointment to Board of Management in 2021



Sarena Lin *Chief Talent & Transformation Officer*

- // Head of HR, Strategy and Business Consulting, driving the accelerated transformation of Bayer
- // Labor Director, leading and overseeing human capital management matters
- // Former Executive Committee member, Elanco Animal Health Incorporated

Strengthened Bayer's oversight of human capital management and enhanced the Board of Management's gender and ethnic diversity, global experience, strategic expertise, leadership skills, and ability to lead large-scale transformations



20 Members of the Supervisory Board

- Composition effective at the 2021 Annual Meeting
- 50% of representatives elected by stockholders, 50% elected by employees*

Stockholder Representatives **Employee Representatives** Vice Chairman Chairman (2015)(2018)Prof. Dr. Winkeljohann Oliver Zühlke (2002)(2014)(2020)(2019)(2017)Dr. rer. nat. Simone Bagel-Trah Robert Gundlach Dr. Paul Achleitner **Horst Baier** Heike Hausfeld (2019)(2017)(2006)(2015)(2012)(2017)**Ertharin Cousin** Colleen A. Goggins Reiner Hoffmann Frank Löllgen Petra Reinbold-Knape Dr. Norbert W. Bischofberger $(2021)^{(1)}$ $(2021)^{(1)}$ (2014)(2020)(2012)Fei-Fei Li Prof. Dr. Dr. h.c. Otmar D. Wiestler Alberto Weisser



Strong Supervisory Board Independent Leadership & Skill Alignment

To effectively oversee management's execution of strategy

New Independent Chairman

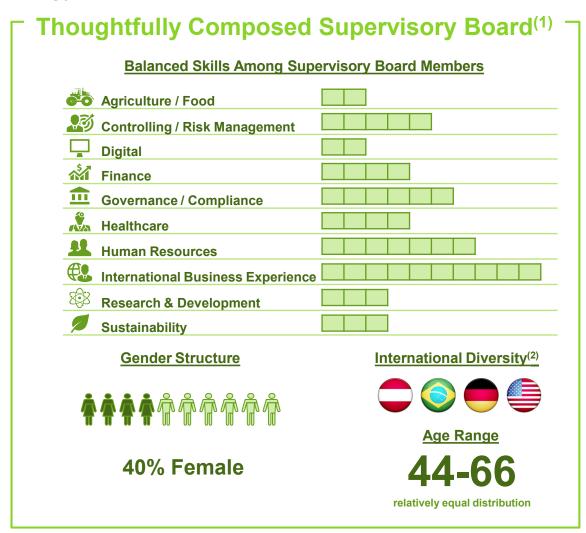


Professor Dr. Norbert Winkeljohann (appointed Apr. 2020)

- Former Chairman of the Board of Management of PricewaterhouseCoopers GmbH and Europe SE
- Extensive global experience in management, auditing and consulting

Chairman Responsibilities

- Constant communications between the Supervisory Board and CEO
- Member of all committees of the Supervisory Board and Chairman of the Presidial / Mediation, Human Resources, Nomination, and Glyphosate Litigation Committees
- Leads the Board review process to identify opportunities to maximize effectiveness
- // Provides oversight of long-term succession planning
- # Engages with stockholders and relays feedback to the full Board



⁽¹⁾ Reflects the composition and skills of our stockholder representatives on the Supervisory Board; assumes the election of director candidates Li and Weisser at the 2021 AGM and the departure of directors Prof. Dr. Wolfgang Plischke and Johanna Faber



Proposed Updates to Supervisory Board Remuneration

Summary of Proposed Changes

- // Increase in fixed remuneration
- // Decrease in Committee fees, slightly offset by increase in cap
- // Increase in attendance fees and incorporation of remote attendance

Rationale for Proposed Changes

- // Remuneration has been unchanged since April 2017, and since this time, the scope of work, time commitment and responsibilities have increased considerably
- // Independent assessment against DAX peers found that our pay is below market and the structure of the program no longer reflects best practice
- We have to stay competitive for recruitment efforts particularly in consideration of the international nature of our business and that we are competing for Board talent with markets with considerably higher pay

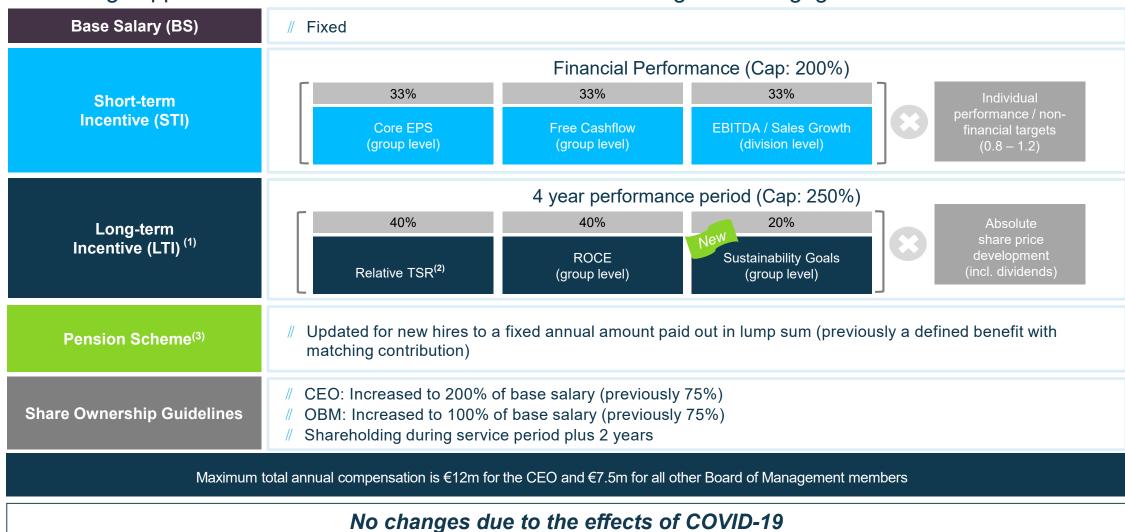
Remuneration Element		Current		Proposal	
Fixed remuneration	Members	€ 132,000 p.a.		€ 160,000 p.a.	
Differentiation	Vice-Chair	€ 264,000 (no additio	onal Committee fees)	€ 320,000 (no additional Committee fees)	
	Chair	€ 396,000 (no additio	onal Committee fees)	€ 480,000 (no additional Committee fees)	
Committee fee		Chairman	Member	Chairman	Member
	Audit	€ 132,000	€ 66,000	€ 120,000	€ 60,000
	All Others ⁽¹⁾	€ 66,000	€ 33,000	€ 40-60,000	€ 20-30,000
		Compensation for m	ax. two committees	Compensation for max. three committees	
Attendance fee		€ 1,000 for in-person attendance Maximum of one attendance fee per day		€ 1,500 for in-person and remote attendance Maximum of one attendance fee per day	

Proposed changes are subject to approval by stockholders at our Annual Meeting and would be effective immediately



Redesigned Board of Management Remuneration Program

Strong support from stockholders at the 2020 Annual Meeting and in engagement



⁽¹⁾ All changes were effective for 2020 other than the LTI, which shifted from equally weighted rTSR and ROCE metrics to add a 3rd metric for sustainability goals.

⁽²⁾ Comparison with EURO STOXX® 50 TR.

⁽³⁾ Change to pension scheme does not apply to existing service contracts, in line with the stockholder Rights Directive and the German Corporate Governance Code



Ambitious measurable targets for Sustainable Development

We set bold 2030 targets in line with the UN SDGs and committed to mapping our sustainability disclosures to the SASB and TCFD frameworks

Help more PEOPLE thrive: Driving inclusive growth in underserved regions



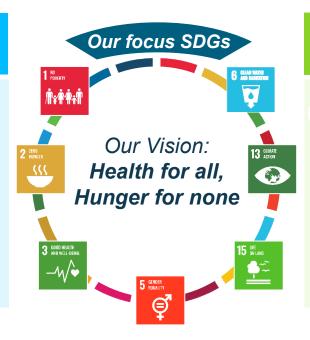
Support 100m⁽¹⁾ smallholder farmers in LMIC⁽²⁾



Provide 100m⁽¹⁾ women in LMIC with access to modern contraception



Expand access to self-care for 100m⁽¹⁾ people in underserved⁽³⁾ communities



Decrease ECOLOGICAL footprint: Driving growth through sustainable resource use



Climate neutrality at own sites + reduced emissions in our supply chain



- # 42%¹ reduction target for Scope 1 & 2
- 12.3%¹ reduction target for Scope 3
- + Net Zero emission target until 2050 in line with long term goal of Paris Agreement (Scope 1, 2 & 3)

Established a Sustainability Council comprised of highly renowned experts to provide advice and review progress on sustainable business strategy and social innovation in consultation with our CEO and Board

^{*)} Numbers reflect people; preliminary figures; pending external audit.

⁽¹⁾ Baseline* (2019): ~42m smallholder farmers; ~38m women; ~41m people; 3.7m tCO₂e for Scope 1&2; 10m tCO₂e for Scope 3.

⁽²⁾ LMIC: low and middle income countries - All countries included in the World Bank list as per 1 July 2019.