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News Release

UN 2023 Water Conference:

Bayer pledges to help tackle global water crisis with new water strategy

- Holistic approach to improve water use and quality across the entire value chain and contribute to an impactful change
 - Integration of water stewardship in business and investment decisions
 - Shaping a water-resilient agriculture system with key contribution in rice
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Leverkusen, March 21, 2023 – Bayer is launching its new water strategy at the UN 2023 Water Conference in New York. The company is making water an integral part of its business decisions, investments and selection of suppliers. Bayer's water strategy reflects its position as a key player in the fields of health and agriculture and aims to have an impact that goes beyond the company's own business.

“The world is facing a severe water crisis affecting ecosystems, food security and human health,” explains Bayer CEO Werner Baumann. “As a leader in health and nutrition we have an intrinsic motivation to address the water crisis and make a valuable contribution. With our global footprint and strong supplier engagements, Bayer will create value and encourage sector-wide action. Our ambition is to play a leading role in promoting corporate water stewardship and rallying other businesses to take action to protect the world’s water resources.”

Bayer’s commitments go beyond the company’s own operations and are reflecting its ambition to generate impact. The activities will encompass the entire value chain, from Bayer’s own operations to the farmers Bayer serves. Key elements of the water strategy are:

- **Resilient agriculture:** On average, 70% of global freshwater withdrawals are in agriculture. Bayer commits to driving positive change in water productivity in water scarce regional cropping systems, starting with rice, which is responsible for up to 43% of the world's irrigation water withdrawals. The company is committed to improving water use per kilogram of crop by 25% by 2030, by transforming rice-cropping systems for smallholder customers in the relevant regions where Bayer operates. In addition, Bayer's existing commitment of reducing the environmental impact of its crop protection portfolio by 30% by 2030 also contributes to water quality.
- **Business and investment:** Bayer is developing a concept to integrate water quality and quantity into business decisions and processes that will be rolled out from 2024 onwards. The company will develop a methodology to place a value on water and incorporate it into investment processes. Already in 2021, water and wastewater matters represented approx. 10% of Bayer's total CapEx projects.
- **Suppliers and growers:** Bayer evaluates the sustainability performance of all key suppliers and of selected high-sustainability-risk suppliers using a sustainability risk classification that includes water. As an important step forward, Bayer has launched its new Supplier Code of Conduct, with dedicated items to address water and wastewater. At the same time the company will continue to drive improvements in water-use efficiency with growers across seed production.
- **Sites and facilities:** Bayer is committed to providing safe drinking water, sanitation and hygiene (WASH) to all employees at its sites. Bayer will further expand its engagement to selected communities where Bayer operates. Bayer continues to minimize emissions at its sites worldwide, including emissions into wastewater. Beyond that, Bayer has established very strict voluntary discharge limits for active ingredients into wastewater at all sites where they are produced. Bayer will build upon the already existing water management systems to optimize the use of water at relevant sites in water-scarce areas and extend them to sites that are forecasted to be in water-scarce regions by 2030. Bayer will set context relevant water targets for our own operations by 2025 that are to be achieved by 2030.
- **Ambassador and partnerships:** Addressing the water crisis will require broad-based, joint action from a myriad of stakeholders. Bayer is well connected in the water space via its involvement in the World Meteorological Organization for Water and Climate Leaders, its active participation in the Water Resilience Coalition and also its partnership with activist Mina Guli as well as with the International Drought Resilience Alliance (IDRA), an initiative launched during COP27 at the UNCCD

Ministerial Meeting. Bayer will make use of these strong partnerships to assemble and connect the right leaders and ensure appropriate private sector engagement in the upcoming water debate.

“Until now, the topic of water has been overlooked in the climate debate despite the many interlinkages, but with the UN 2023 Water Conference it is gaining momentum. There are new opportunities to take the right sustainable actions, and we must seize these opportunities now. This is why we make water an integral part of our business and investment decisions across the entire value chain. With these decisions, we will contribute to climate resilience and to more sustainable water usage,” says Cristina Alonso Alija, Head of Sustainability, Safety, Health & Environment, and responsible for the water strategy at Bayer.

About Bayer

Bayer is a global enterprise with core competencies in the life science fields of health care and nutrition. Its products and services are designed to help people and the planet thrive by supporting efforts to master the major challenges presented by a growing and aging global population. Bayer is committed to driving sustainable development and generating a positive impact with its businesses. At the same time, the Group aims to increase its earning power and create value through innovation and growth. The Bayer brand stands for trust, reliability and quality throughout the world. In fiscal 2022, the Group employed around 101,000 people and had sales of 50.7 billion euros. R&D expenses before special items amounted to 6.2 billion euros. For more information, go to www.bayer.com.

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