Annual Report 2025



Health for all, Hunger for none

Five-Year Summary

€ million	2021	2022	2023	2024	2025
Bayer Group financial KPIs					
Sales	44,081	50,739	47,637	46,606	45,575
EBITDA[1]	6,409	13,515	10,632	8,712	1,708
EBITDA before special items[1]	11,179	13,513	11,706	10,123	9,669
EBITDA margin before special items[1]	25.4%	26.6%	24.6%	21.7%	21.2%
EBIT[1]	3,353	7,012	612	(71)	(1,077)
EBIT before special items[1]	7,295	9,257	7,589	5,436	5,108
Net income (from continuing and discontinued operations)	1,000	4,150	(2,941)	(2,552)	(3,620)
Earnings per share (from continuing and discontinued operations) (€)[1]	1.02	4.22	(2.99)	(2.60)	(3.68)
Core earnings per share (from continuing operations) (€)[1]	6.51	7.94	6.39	5.05	4.91
Free cash flow	1,415	3,111	1,311	3,107	2,084
Net financial debt	33,137	31,809	34,498	32,626	29,843
Return on capital employed (ROCE) (%)	3.8	7.7	0.7	–0.1	–1.4
Research and development expenses[2]	5,412	6,572	5,371	6,209	5,769
Dividend per share (€)	2.00	2.40	0.11	0.11	0.11
Bayer Group nonfinancial KPIs[3]					
Number of smallholder farmers in low- and middle-income countries supported by products, services and partnerships (million)	49	52	53	52	53
Number of women in low- and middle-income countries who have their need for modern contraception satisfied due to interventions supported by Bayer (million)	41	44	46	51	68
Number of people in underserved[4] communities whose self-care is supported by interventions from Bayer (million)	46	49	51	53	82
Scope 1 and 2 greenhouse gas emissions (million metric tons)	3.17	3.03	3.00	2.96	2.79
Scope 3 greenhouse gas emissions from relevant categories (million metric tons)[5]	9.06	10.32	9.72	8.82	9.10
Offsetting of remaining Scope 1 and 2 greenhouse gas emissions (million metric tons)	0.30	0.45	0.60	0.71	0.91
Employees					
Number of employees[6] (Dec. 31)	99,637	101,369	99,723	92,815	88,078
Personnel expenses (including pension expenses and restructuring measures) (€ million)	11,798	12,619	10,691	12,451	11,725

[1] For definition see A 2.3 “Alternative Performance Measures Used by the Bayer Group.”
[2] After special items and depreciation/amortization/impairments
[3] For more information see A 4 “Sustainability Statement.”
[4] Economically or medically
[5] 2024 and base year values restated owing to an extension to the methodology and the use of more precise emissions factors
[6] Employees calculated as full-time equivalents (FTEs)

Fiscal 2025

// Group sales at €45.6 billion (Fx & p adj. +1.1%, reported –2.2%), negative currency effects of around €1.7 billion

// EBITDA before special items at €9.7 billion (–4.5%)

// Crop Science and Pharmaceuticals post moderate sales growth (Fx & p adj.) and lower earnings

// Consumer Health reports stable sales (Fx & p adj.) and slight decline in earnings

// Core earnings per share at €4.91 (–2.8%)

// Net income at minus €3.6 billion – high special charges for litigations only partially offset by impairment loss reversals at Crop Science

// Free cash flow declines to €2.1 billion, net financial debt reduced to €29.8 billion

// Proposed dividend of €0.11 per share

// Monsanto announces class settlement agreement to resolve current and future Roundup™ (glyphosate) claims

// Outlook for 2026: Stable sales and earnings (Fx adj.), free cash flow to be heavily impacted by settlement payments

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Chairman's Letter

Dear Stockholders and friends of Bayer:

2025 was a pivotal year for Bayer's turnaround. We're gaining ground in our businesses and our strategic priorities. The work is not done. With a mission as pressing as "Health for all, Hunger for none," it never will be. We have many more improvements to make, but when I look at Bayer today compared to two or three years ago, I see a different company. The journey is far from over, but I hope you're starting to see that shift too. We have successfully introduced a totally new operating model and are now focused on scaling the gains we see from it. Our Pharmaceuticals portfolio is rejuvenated, including five growth catalysts with blockbuster potential, and we are focused on capturing future growth from the foundation we've laid. Crop Science is on track with its Five-Year Framework and will continue to take steps to boost innovation and profitability. We advanced our multi-pronged strategy to significantly contain litigation in 2026. We've also made strides in reducing our debt. For the sake of our mission, we press on.

2025 performance: meeting our raised outlook

We delivered on our targets. We knew 2025 would be a challenging year, with headwinds and crosswinds like the loss of exclusivity-related declines of Xarelto™ and regulatory impacts on Crop Science. Thanks to a solid performance in Pharmaceuticals and momentum across our turnaround plan, we were able to absorb these effects and delivered on our targets as a Group.

Our Group sales came in at €45.6 billion. We posted EBITDA before special items of €9.7 billion. Our core earnings per share landed at €4.91 and free cash flow amounted to €2.1 billion. And we reduced our net financial debt to €29.8 billion.



Bayer CEO Bill Anderson

Let's look at our divisions individually. Our Pharmaceuticals Division exceeded our initial projections, mainly thanks to significant and sustained growth momentum of both Nubeqa™ and Kerendia™. Crop Science progressed as planned and implemented measures to enhance mid-term profitability. We closed the year according to plan and saw positive momentum in corn. Although growth in Consumer Health lagged due to challenging market conditions in the United States and China, we met our profitability guidance. When it comes to the dividend, our focus remains on reducing debt to enhance our financial flexibility. In accordance with the dividend policy we've previously communicated, we are proposing that the dividend remains at €0.11 per share.

We've taken substantial steps to significantly contain litigation by the end of 2026. Our actions in 2025 positioned the company well to meet this objective. Two weeks ago, Monsanto agreed with leading plaintiff law firms on a proposed class settlement for the glyphosate litigation. This comes on top of the decision by the US Supreme Court to take our case, which is good news for our company and for agriculture. We continue to advance our multi-pronged strategy with a range of measures. Furthermore, in the PCB litigation, Monsanto successfully resolved cases to limit our company's exposure.

Driving innovation to advance our mission

2025 was a landmark year for our **Pharmaceuticals** Division, marked by significant advancements that hold promise for patients worldwide. We delivered on our upgraded guidance and renewed our portfolio with multiple high-impact launches of new brands and indications. This includes the extensions of Kerendia™ for treating a common form of heart failure and of our prostate cancer drug Nubeqa™. In the United States, we introduced Lynkuet™, a hormone-free treatment for alleviating vasomotor symptoms (VMS) or hot flashes due to menopause, underscoring our expertise and unwavering commitment to provide meaningful relief and improve the quality of life for women. Additionally, we launched the cardiovascular drug Beyonttra™ in Europe, a treatment option for an underdiagnosed and progressive form of heart disease. Our teams have made Beyonttra™ available in record time and the launch is exceeding expectations.

Furthermore, we received very positive data readouts for asundexian for secondary stroke prevention, demonstrating a significant reduction in the risk of recurrent strokes.

We both strengthened and accelerated our pipeline. Last year, we advanced 16 clinical programs across phases and bolstered our earlier-stage pipeline through five new oncology programs in Phase I. We are also making significant progress in cell and gene therapies, now with seven assets across the platform, including the late-stage investigational cell therapy bemdaneprocel and the gene therapy ametefgene parvec which entered Phase II. These achievements make Bayer the first company to advance both cell and gene therapies against Parkinson's disease.

Last year, we laid out a comprehensive Five-Year Framework for **Crop Science** to bolster its bottom line and fund innovation. The plan addresses efficiency gains in R&D and streamlining our production network. A shifting market for agricultural chemicals called for some difficult but necessary decisions, like the planned closure of our Frankfurt site in 2028. This was a painful decision, and one we didn't make lightly. Going forward, we are doing everything in our power to position our business and innovation pipeline at the vanguard of agricultural innovation. We have taken big steps towards our goal of launching 10 blockbuster products in the next 10 years. Plenexos™, our new insecticide, was successfully launched in Colombia, with Brazil expected to follow soon. We rolled out the breeding version of the Preceon™ Smart Corn System, starting in the top corn-producing US states in 2024, as well as in Italy and Spain in 2025. We are now ready to scale across North America and Europe. In 2026 we expect adoption in the United States to double to 200,000 acres. In Europe we plan to reach 95,000 acres. And we advanced other important development

projects. In the next two years, our new herbicide Icafolin and our next-generation soybean traits Vyconic™ and Intacta 5+ will be launched in the United States and Brazil, respectively.

In 2025, **Consumer Health** navigated a challenging market environment in key countries, leading us to adjust our sales growth guidance downward. Despite these conditions, we successfully met our original margin target. Looking ahead, we have reoriented our business for sustainable, healthy growth by investing in priority brands and markets with the best growth potential — our "power couples." We're also exploring opportunities beyond our current portfolio to expand into new markets, segments and channels. One example is the launch of MiraFAST™ soft chews for fast and gentle relief from constipation. We took it from concept to shelves in less than 12 months. We want to scale this speed across the organization.

Our operating model, **Dynamic Shared Ownership (DSO)**, has helped accelerate progress across the company. We've made profound changes to the way our company works and is organized. We've taken out up to six organizational layers. We have reduced the number of management positions by roughly two-thirds and put the vast majority of decisions in the hands of the people doing the work. The benefits are clear. Product development timelines are shorter. Costs are lower. Speed of decision-making is faster. And the sense of ownership at Team Bayer is up!

We're building on the speed and creativity we've unlocked with our operating model with investments in **artificial intelligence**. We're exploring how AI, particularly agentic AI, can accompany core work processes at Team Bayer, helping our people become more efficient, sharing insight and foresight across the company, and accelerating the pace of change. Our in-house AI tool, MyGenAssist, is already empowering employees to streamline workflows, boost efficiency and unlock more creativity.

Our commitment to advancing **sustainability** remains unwavering. We're making significant strides in ensuring our operations are powered by green electricity. In China, we've signed an agreement to achieve 100% green electricity usage at our production sites this year. Additionally, our production facility in Costa Rica, along with other sites, is transitioning to renewable energy sources. Our efforts have been recognized with an ESG rating of AA from MSCI Solutions for the first time. And we made progress towards our sustainability targets: In 2025, together with our partners, we put self-care in reach for 82 million people in economically or medically underserved communities. We enabled access to modern contraception for 68 million women in low- and middle-income countries. We also supported 53 million smallholder farmers with our products and services.

Outlook 2026

We have plenty to look forward to in 2026: In Crop Science, we plan to continue advancing our ten blockbusters and making headway in improving profitability. In Pharmaceuticals, we expect continued momentum behind Nubeqa ™ and Kerendia ™, and the first full year of sales for Beyonttra™ and Lynkuet ™. In an uncertain market environment, Consumer Health is targeting sustainable growth. At the same time, currency fluctuations are expected to weigh on our results. We anticipate that litigation impacts will burden our cash position in 2026 and lead to negative free cash flow for the year. Nonetheless, we expect a solid performance, with robust developments in sales and earnings across our businesses.

In summary: Team Bayer has made progress, but we recognize that there is much more to do. You can count on this: We will remain focused on the company's biggest challenges and opportunities. We're ready to make a statement for our mission in 2026.

I want to end with a sincere thank-you — to our teams for their hard work and dedication, and to you, our stockholders, for your interest and continued trust in the progress we're making together.

Sincerely,



Bill Anderson
Chairman of the Board of Management (CEO) of Bayer AG

Board of Management





Bill Anderson

Chairman (CEO)

William N. (Bill) Anderson studied Chemical Engineering at the University of Texas and the Massachusetts Institute of Technology (MIT), where he also gained his Master of Science in Management. He started his professional career in specialty chemicals before moving to the biotechnology industry, where he held global leadership positions at various companies including Biogen and Genentech. He joined Roche Pharmaceuticals in 2013 and became its CEO in 2019. He has been a member of Bayer's Board of Management since April 1, 2023, and Chairman of the Board of Management (CEO) since June 1, 2023.



Wolfgang Nickl

Finance

Wolfgang Nickl studied business administration in Stuttgart and Los Angeles. Following numerous roles in Europe and the United States at Western Digital Corporation, Nickl was appointed Chief Financial Officer in 2010. In 2013, he joined Netherlands-based ASML N.V. as Executive Vice President and Chief Financial Officer. Nickl has been a member of the Bayer Board of Management since April 2018.

Heike Prinz

Member of the Board of Management

Heike Prinz studied business administration in Berlin and holds a degree in business administration. She joined the former Schering AG in 1986, which was acquired by Bayer in 2006. From 2009, she held various management positions at Bayer Pharmaceuticals in Singapore, Thailand and Japan. In 2021, she became Head of Commercial Operations EMEA (Europe, Middle East and Africa) at Bayer Pharmaceuticals. In September 2023, Heike Prinz was appointed to the Board of Management of Bayer AG as Chief Talent Officer and Labor Director.



Rodrigo Santos

Crop Science

Rodrigo Santos studied Agricultural Engineering in São Paulo and received his MBA in Ohio. He joined Monsanto in 1999 and recently served as Chief Operating Officer at Bayer's Crop Science Division. During those years he held different positions in sales, marketing, and strategy, among others, leading organizations in Latin America, Europe and the United States. Santos has served as a member of the Bayer Board of Management and head of the Crop Science Division since January 2022.





Stefan Oelrich

Pharmaceuticals

Stefan Oelrich joined Bayer as a commercial trainee. After qualifying as a commercial assistant, he held a number of positions of increasing responsibility in Bayer's HealthCare business. In 2011, Oelrich joined Sanofi, where he held numerous roles before being appointed Executive Vice President Diabetes & Cardiovascular in the company's Executive Committee. Oelrich has served as a member of the Bayer Board of Management and head of the Pharmaceuticals Division since November 2018.



Julio Triana

Consumer Health

Julio Triana studied biology and chemistry at the University of Houston and neuroscience at the University of Texas Graduate School of Biomedical Sciences, and holds a Master of Business Administration from Universidad Antonio de Nebrija in Madrid, Spain. After working as a research scientist and transferring to Pricewaterhouse-Coopers, he joined the Bayer Group in 2002, where he has held various management positions including Chief Financial Officer and Chief Transformation Officer of the Pharmaceuticals Division. Julio Triana has been a member of the Board of Management of Bayer AG since April 1, 2024, and is head of the Consumer Health Division.

Report of the Supervisory Board

Dear Shareholders:

Fiscal 2025 was a year shaped by major geopolitical shifts that also significantly impacted Bayer. The company demonstrated resilience while continuing to advance along the path of transformation it has embarked upon. Against this backdrop, the Supervisory Board last year once again focused extensively on the company's strategic alignment and the progress being made in delivering on the defined strategic priorities: the pharmaceuticals pipeline, containing the litigations, deleveraging, profitability in the Crop Science business, and reducing bureaucracy by systematically implementing the Dynamic Shared Ownership operating model. Among these strategic priorities, the company's efforts to contain the ongoing litigations in the United States were a particular focal point of the Supervisory Board's work. The Supervisory Board also had a number of decisions to make with regard to the composition of the Board of Management. These included extending the appointments of Bill Anderson, as Chairman of the Board of Management (CEO), and Stefan Oelrich, as member of the Board of Management and head of the Pharmaceuticals Division. The Supervisory Board also appointed Dr. Judith Hartmann to succeed outgoing CFO Wolfgang Nickl, who is set to leave the company at the end of May 2026. There was also a change on the Supervisory Board itself, with employee representative Nadine Dietz succeeding Dr. Barbara Gansewendt effective January 1, 2025.

Over the course of 2025, the Supervisory Board regularly monitored the conduct of the company's business by the Board of Management and acted in an advisory capacity. This involved the Board of Management delivering comprehensive written and oral reports to the Supervisory Board based on the detailed set of information guidelines in place. In addition, the Chairman of the Supervisory Board maintained a constant exchange of information with the Chairman (CEO) and the other members of the Board of Management. Furthermore, the Chairman of the Supervisory Board and the Chairman of the Audit Committee were regularly in direct contact – including outside of the meetings – with the head of the Law, Patents, Insurance, Compliance and Data Privacy unit, the respective heads of Internal Audit and Risk Management, and the head of the Accounting and Taxes unit. The Chairwomen of the ESG Committee and the Legal Risk Committee were also regularly in direct contact with the respective specialist departments. This ensured that the Supervisory Board was kept continuously informed about the company's intended business strategy, corporate planning (including financial, investment and human resources planning) and earnings performance, as well as the state of the business and the situation in the company and the Group, including the developments in the principal litigations.

Where Board of Management decisions or actions required the approval of the Supervisory Board, whether by law or under the Articles of Incorporation or the Rules of Procedure, the draft resolutions were reviewed by the Supervisory Board members, sometimes following preparatory work by the committees, and then approved during meetings of the full Supervisory Board or, in some cases, on the basis of documents circulated to the members. The Supervisory Board was involved in decisions of material importance to the company. We discussed at length the business trends described in the reports from the Board of Management and the development prospects for the Bayer Group as a whole as well as for the divisions and key markets.

Changes on the Supervisory Board

Employee representative Dr. Barbara Gansewendt retired on December 31, 2024, bringing to an end her service on the Supervisory Board. Nadine Dietz was elected to take her place, joining the Supervisory Board as an employee representative with effect from January 1, 2025.

Work of the Supervisory Board

The Supervisory Board convened for nine meetings in 2025, with the strategy meeting in September held across several days. The attendance rate of the individual Supervisory Board members at the meetings of the Supervisory Board and its committees is disclosed towards the end of this Report.



Prof. Dr. Norbert Winkeljohann,
Chairman of the Supervisory Board of Bayer AG

The meetings of the Supervisory Board were generally attended by members of the Board of Management. Each ordinary meeting formally includes an "executive session" at the beginning and end of the meeting during which no Board of Management members are present. Such sessions are included on the agenda as separate items. Ordinary Audit Committee meetings also include executive sessions that involve the Audit Committee consulting with the auditor without Board of Management members present.

The employee representatives and the stockholder representatives each held preparatory discussions prior to the ordinary meetings of the Supervisory Board.

The Supervisory Board Chairman took the opportunity to speak to investors about specific Supervisory Board matters during a corporate governance roadshow as well as on other occasions. These matters included the composition and compensation of the Board of Management, the composition of the Supervisory Board and other governance-related topics. A detailed overview of the topics discussed during the corporate governance roadshow can be found in the "Stockholder Presentation" on the website for the 2025 Annual Stockholders' Meeting.

Matters discussed during the meetings of the full Supervisory Board and its committees, training events

The deliberations of the Supervisory Board in 2025 primarily related to the following topics, each of which was addressed at several Supervisory Board meetings: firstly, Bayer's economic position and strategic alignment. The discussions around the company's strategy also concerned the implementation of the Dynamic Shared Ownership operating model and the importance of technological developments such as the use of artificial intelligence (AI), including in the form of agentic AI. An additional focal point of the Supervisory Board's work concerned the principal litigations, particularly relating to glyphosate and PCBs, which were extensively addressed by the full Supervisory Board, the Legal Risk Committee and the Audit Committee. The Chairman of the Supervisory Board and the Chairman of the Board of Management (CEO) as well as other members of the Board of Management also extensively discussed the aforementioned aspects outside of the meetings of the Supervisory Board and the respective committees.

At its individual meetings, the Supervisory Board mainly focused on the following topics and passed the following written resolutions:

1. At its February meeting, the Supervisory Board addressed the 2024 Annual Report, the Compensation Report and the Notice of the 2025 Annual Stockholders' Meeting. It also took a close look at the Crop Science Division's strategy and communication activities. At this meeting, the Supervisory Board received the regular risk report and discussed matters relating to Board of Management compensation, focusing particularly on target attainment and short-term variable compensation for 2024 and the targets for 2025. During this meeting, the Supervisory Board also extended Stefan Oelrich's Board of Management appointment and service contract until October 31, 2029. In addition, the Supervisory Board examined the consequences arising from the settlement of a class action suit in California that had been filed against the company as well as active and former board members, and also addressed the glyphosate and PCB litigations. Finally, the Supervisory Board conducted special committee elections that were necessitated by the departure of Dr. Barbara Gansewendt and the election of Nadine Dietz to the Supervisory Board.

2. At its ordinary meeting ahead of the Annual Stockholders' Meeting in April, the Supervisory Board looked at the company's business performance to date. The Supervisory Board also discussed the principal litigations and potential containment options, as well as the upcoming Annual Stockholders' Meeting.

3. At its ordinary meeting in June, the Supervisory Board addressed topics relating to Board of Management compensation, including a review of the updated Board of Management compensation system adopted in 2024. The Supervisory Board also conducted preparatory work for the planned extension of Bill Anderson's appointment as Chairman of the Board of Management (CEO), and discussed the status of the search for a successor for the role of Chief Financial Officer (CFO). In addition, the Supervisory Board looked at the diversity and inclusion programs in place at Bayer and addressed the updated process for Board of Management succession planning and talent development. Lastly, the Supervisory Board engaged in extensive deliberations concerning the principal litigations.

4. At an extraordinary meeting in July, the Supervisory Board extended Bill Anderson's appointment as Chairman of the Board of Management (CEO) as well as his service contract by three years until March 31, 2029.

5. At another extraordinary meeting in July, the Board of Management informed the Supervisory Board about planned settlements in the glyphosate and PCB litigations, and discussed the matter with the Supervisory Board.

6. By way of a written resolution in August, the Supervisory Board approved several financing measures.

7. As part of its strategy meeting in September, the Supervisory Board held two meetings and took part in a number of information events across three consecutive days. During the individual meetings, the Supervisory Board extensively focused on the performance of the Group, its three divisions and the enabling functions. The Supervisory Board also received input from specialist departments within Bayer and external legal advisors on managing the principal litigations and on the individual sub-projects focused on containing the principal litigations. In addition, the Supervisory Board learned about innovations within Bayer's IT operations, including in particular opportunities for the use of agentic AI, and received insights on current geopolitical developments and the impacts they may have on Bayer. Lastly, the Supervisory Board resolved to propose to the Annual Stockholders' Meeting that PricewaterhouseCoopers be appointed as auditor of the financial statements from fiscal 2027 in view of the auditor rotation requirements. The Supervisory Board also approved the acquisition of own shares for the purpose of implementing employee stock programs.

   As part of the information events, the Supervisory Board travelled to the Pharmaceuticals site in Wuppertal to visit the division's production facilities and laboratories and talk to employees working there. The Supervisory Board also spent time at Crop Science's Monheim site, where it received a presentation on the current status of the division's research and development pipeline and visited trial plots to learn about new products and R&D projects. The members of the Supervisory Board also met with managers and employees from the Leverkusen, Wuppertal and Monheim sites during an evening event.

8. In September, the Supervisory Board approved the divestment of the Avalox™ business by way of a written resolution.

9. At an extraordinary meeting in November, the Supervisory Board appointed Dr. Judith Hartmann to the Board of Management with effect from March 1, 2026. She will subsequently succeed Wolfgang Nickl as CFO effective June 1, 2026. During this meeting, the Supervisory Board also resolved on the conclusion of a settlement in the US glyphosate litigation after receiving detailed information from internal and external legal advisors.

10. At its ordinary meeting in December, the Supervisory Board discussed the results of the efficiency audit, which had been conducted with external support, and agreed on ways to further improve the work of the Supervisory Board. In addition, the Supervisory Board received a preliminary status update on the target attainment levels for the variable components of Board of Management compensation. The Supervisory Board also resolved to amend its Rules of Procedure by raising the target age limit for members of the Board of Management from 63 to 65 in accordance with general developments and market practice. It discussed the company's business performance and approved the operational planning for 2026. In addition, the Supervisory Board approved the scope of Bayer's external financing and consented to the conclusion of a committed credit facility. Furthermore, the Supervisory Board once again closely looked at the principal litigations and containment options. It also discussed the composition of the stockholder base and aspects related to stockholder communication. Finally, the Supervisory Board resolved to issue the regular declaration of compliance with the German Corporate Governance Code.
11. In December, the Supervisory Board adopted a written resolution concerning the conclusion of a settlement in the PCB litigations.

Committees of the Supervisory Board

In 2025, the Supervisory Board had a Presidial Committee, an Audit Committee, a Human Resources and Compensation Committee, a Nomination Committee, a Legal Risk Committee and an ESG Committee.

The current membership of the committees is shown in the "D Further Information" section under "Governance Bodies".

The meetings and decisions of the committees, and especially the meetings of the Audit Committee, Legal Risk Committee and ESG Committee, were prepared on the basis of reports and other information provided by the Board of Management. Reports on the committee meetings were presented at the meetings of the full Supervisory Board.

Presidial Committee: This committee comprises the Chairman and Vice Chairwoman of the Supervisory Board along with two further stockholder representatives and two further employee representatives. The Presidial Committee undertakes preparatory work for meetings of the full Supervisory Board and regularly meets prior to the ordinary meetings of the Supervisory Board. In addition, certain members of the Presidial Committee – the Chairman and Vice Chairwoman of the Supervisory Board, plus a designated stockholder representative and employee representative from this committee – also constitute the mediation committee pursuant to the German Codetermination Act (MitbestG). This mediation committee submits proposals to the Supervisory Board on the appointment of members of the Board of Management if the necessary two-thirds majority is not achieved in the first vote at a full Supervisory Board meeting. Furthermore, the Presidial Committee has been entrusted with certain decision-making powers in connection with capital measures, including the power to amend the Articles of Incorporation accordingly. The Supervisory Board can also delegate certain additional responsibilities to the Presidial Committee on a case-by-case basis.

The Presidial Committee convened for five meetings in 2025. During these meetings, it dealt with the next ordinary Supervisory Board meeting to be held. The Presidial Committee also deliberated on a number of additional topics: at a meeting in February, the Presidial Committee received a report on the investor conversations held by the Chairman of the Supervisory Board during the corporate governance roadshow. The Presidial Committee also reviewed the list of transactions requiring approval. At its April meeting, the Presidial Committee looked ahead to the upcoming Annual Stockholders' Meeting and examined the progress made in appointing a successor to CFO Wolfgang Nickl when he steps down from the Board of Management. Lastly, the Presidial Committee reflected on the new approach to Supervisory Board training events that was introduced in the previous year, comprising four sessions per year, and looked ahead to the Supervisory Board efficiency audit that was to be conducted with external support. At its August meeting, the Presidial Committee discussed the status of the Supervisory Board efficiency audit. At its December meeting, the Presidial Committee considered the results of the Supervisory Board efficiency audit and the resulting recommendations. Following minor modifications, these recommendations were then put forward to the full Supervisory Board.

Over the course of 2025, the mediation committee was not required to exercise its role for any deliberations.

Audit Committee: The Audit Committee comprises four stockholder representatives and four employee representatives. The Chairman of this committee, Horst Baier, satisfies the statutory requirements concerning expertise in the field of accounting, and Supervisory Board Chairman Prof. Dr. Norbert Winkeljohann, who is also a member of this committee, satisfies the requirements concerning expertise in the field of auditing. Other members of the committee also have expertise in these areas. The Audit Committee holds five regular meetings each year.

Its tasks include, in particular, examining the financial reporting and monitoring the financial reporting process, the effectiveness and appropriateness of the internal control system and the risk management system, the effectiveness of the internal audit system, the compliance system and the audit of the financial statements. It also addresses relevant topics in the tax, finance and treasury areas. The Audit Committee prepares the resolutions of the Supervisory Board concerning the financial statements and Management Report of Bayer AG, the proposal for the use of the distributable profit, the Consolidated Financial Statements and the Management Report of the Bayer Group (including the mandatory CSR reporting). Further tasks include holding discussions with the Board of Management on the half-year financial reports and any quarterly reports or quarterly statements to be issued prior to their publication. The committee prepares the auditor selection process and submits a reasoned proposal to the Supervisory Board regarding the appointment of the auditor. It also prepares the agreements with the auditor (dealing in particular with the awarding of the audit contract, the determination of the main areas of focus for the audit, and the audit fee agreement) and takes appropriate measures to determine and monitor the auditor's independence. The Audit Committee regularly assesses the quality of the audit and resolves on the approval of any other contracts awarded to the auditor, paying special attention to any potential implications for the auditor's independence. The Audit Committee also discusses the assessment of the audit risk, the audit strategy and audit planning, and the audit results with the auditor. Furthermore, the Chairman of the Audit Committee regularly discusses the progress of the audit with the auditor and reports on this topic to the committee.

In addition, the Audit Committee monitors the internal process for assessing whether related-party transactions are executed in the ordinary course of business and on market terms. It resolves on behalf of the Supervisory Board on the approval of related-party transactions pursuant to Sections 111a to 111c and Section 107 of the German Stock Corporation Act (AktG) where such transactions require Supervisory Board approval and the Supervisory Board has not entrusted the approval decision to any other committee.

Committee meetings were regularly attended by the Chief Financial Officer, as well as in some cases by the Chairman of the Board of Management (CEO), too. However, neither of them were present for any of the executive sessions held at the beginning and end of each meeting. Representatives of the auditor were also present at all the meetings and reported in detail on the audit work and the audit reviews of the half-year report and quarterly statements. Every meeting includes executive sessions where the committee meets alone with the auditor, i.e. without Board of Management members present.

At each of its meetings, the Audit Committee discussed developments in legal and corporate compliance cases, where necessary, and the latest reports from Internal Audit.

The individual Audit Committee meetings also mainly focused on the following topics:

1. At the February meeting, the Audit Committee discussed the financial statements of Bayer AG and the Consolidated Financial Statements of the Bayer Group. It took a close look at the development of cash flow and capital expenditures in the Pharmaceuticals and Crop Science divisions. It also carefully considered the risk report, which covers the risk early warning system and other aspects, and the report on the internal control system (ICS). In addition, the Audit Committee dealt with the yearly compliance report and the developments in compliance and legal cases. Other matters addressed included the yearly report by Internal Audit, a report on the procedure for recording related-party transactions, as well as the independence of the auditor and the preparation of the proposal for the election of the auditor by the Annual Stockholders' Meeting.

2. The May meeting focused on the quarterly statement for the first quarter. The committee also discussed a new approach for the planning process within the company, the quality of the audit of the financial statements, and the main areas of focus for the audit of the annual financial statements. Finally, the committee received a report on captive insurance activities at Bayer and discussed this matter.

3. At its August meeting, the Audit Committee mainly focused on the half-year financial report. The committee also discussed the effectiveness and further development of the risk management system and the internal control system for financial reporting. In addition, it looked at the status of the auditor selection process, with a new auditor needing to be appointed to review the financial statements from fiscal 2027 due to the auditor rotation requirements. The committee also discussed the accelerated processes and timelines for preparing the 2025 financial statements compared with 2024. Other topics addressed included an update on data security and cybersecurity, as well as scenarios involving the company's financing in 2026 and beyond.

4. At its November meeting, the Audit Committee extensively discussed the quarterly statement for the third quarter and the audit budget for the auditor of the financial statements.

5. At its December meeting, the Audit Committee examined the status of the strategic business plan for 2026, the yearly reports of the Treasury and Taxes function, aspects related to ESG reporting, the audit planning by Internal Audit and the future implementation of IFRS 18. The meeting also covered the annual planning of the Audit Committee for 2026 and the topics of data security and cybersecurity, with the discussion also taking into account opportunities and risks arising from artificial intelligence.

Human Resources and Compensation Committee: The Human Resources and Compensation Committee has six members, with parity of representation between stockholders and employees. It prepares the personnel decisions of the full Supervisory Board, which resolves on appointments or dismissals of members of the Board of Management, and monitors the development of Board of Management compensation on an ongoing basis. The committee also resolves on the service contracts of the members of the Board of Management, acting on behalf of the Supervisory Board. However, the full Supervisory Board is responsible for resolving on the total compensation of the individual members of the Board of Management, the respective compensation components and the compensation system, as well as for regularly reviewing the compensation system on the basis of recommendations submitted by the Human Resources and Compensation Committee. The Human Resources and Compensation Committee also discusses the long-term succession planning for the Board of Management.

The Chairman of the Board of Management (CEO) regularly attended the meetings of the Human Resources and Compensation Committee where the matters discussed did not relate to him personally.

The Human Resources and Compensation Committee convened for seven meetings. The meetings focused on the extension of Stefan Oelrich and Bill Anderson's appointments to the Board of Management until October 31, 2029, and until March 31, 2029, respectively. During several meetings, the committee discussed whether modifications needed to be made to the current Board of Management compensation system, which had been approved at the 2024 Annual Stockholders' Meeting, and deliberated on ways to enhance compensation reporting. In addition, a number of meetings involved the committee conducting preparatory work to support the search for a new CFO, culminating in the committee recommending that the Supervisory Board appoint Dr. Judith Hartmann to the role. The corresponding Supervisory Board resolution was subsequently adopted in November 2025. Other topics included succession planning for the Board of Management, the diversity and inclusion programs in place at Bayer, the standards for medical check-ups for Board of Management members, and possible changes to the existing age limits for members of the Board of Management. Finally, the committee prepared the Supervisory Board resolutions on the performance evaluations for fiscal year 2024, the targets for fiscal year 2025 and a review of base compensation for Board of Management members.

Nomination Committee: This committee carries out preparatory work when an election of stockholder representatives to the Supervisory Board is to be held. It suggests suitable candidates for the Supervisory Board to propose to the Annual Stockholders' Meeting for election. The committee

comprises the Chairman of the Supervisory Board, who serves as its Chairman, and three further stockholder representatives.

The Nomination Committee convened three times in 2025. At these meetings, it prepared the Supervisory Board elections to be conducted at the 2026 Annual Stockholders' Meeting in view of two members coming to the end of their terms of office, and also looked at long-term succession planning for the Supervisory Board.

ESG Committee: The ESG Committee consists of the Chairman of the Supervisory Board and seven other members, with parity of representation between stockholders and employees. It deals with sustainable corporate governance and the company's business activities in the areas of environmental protection, social issues and corporate governance (ESG). This mainly pertains to the way sustainability is incorporated into the business strategy; the establishment of sustainability targets; nonmandatory ESG reporting and the auditing thereof, if applicable; opportunities and risks; and organizational structures and processes in ESG areas, provided the Audit Committee is not already responsible for these matters. Within its area of responsibility, the committee advises and oversees management and prepares any Supervisory Board decisions to be made.

The ESG Committee convened four times in 2025.

1. At its February meeting, the committee discussed Bayer's sustainability performance in 2025, the Sustainability Statement, the ESG ratings and the ESG targets for the variable compensation of the Board of Management, and the ESG mission and visions of the three divisions. Additional areas of focus were the sustainability strategy and the geopolitical situation.
2. At its meeting in May, the committee discussed future sustainability reporting, the sustainability strategy of the Consumer Health Division, the target attainment status for the ESG targets, and the strategic partnership with the World Bank.
3. At its August meeting, the committee examined the progress made in implementing the sustainability targets and discussed the new composition and realigned work of Bayer's Sustainability Council. The committee also took a close look at the Crop Science Division's sustainability strategy. Other topics included a review of the double materiality assessment for the purposes of sustainability reporting, and an update on the implementation of the sustainability strategy.
4. At its November meeting, the committee looked at ways to reduce the environmental impacts of crop protection products, and also discussed carbon markets, regulation and legal risks relating to PFAS, and the topic of human rights.

Legal Risk Committee: The Legal Risk Committee consists of the Chairman of the Supervisory Board and seven other members, with parity of representation between stockholders and employees. The chairperson of the committee is elected by the Supervisory Board. The committee coordinates the respective activities in which the Supervisory Board exercises its rights and fulfills its duties with regard to all processes in the company and the Group relating to ongoing or pending regulatory and legal proceedings in all branches of the court system in Germany and around the world that are of substantial importance for the company and/or the Group (hereinafter referred to as "legal risks"), as well as measures to resolve, avert or contain these legal risks. The Supervisory Board can delegate further duties to the committee, including exercising the Supervisory Board's participation rights with regard to the aforementioned tasks in individual cases or for certain groups of cases. The Chairman of the Board of Management (CEO) and the Chief Financial Officer regularly attend the committee meetings.

The committee convened four times in 2025, with the meetings taking place in February, June, August and December. At each of these meetings, the committee dealt with the status of the principal litigations involving glyphosate and PCBs in the United States, as well as with containment strategies. The committee prepared any resolutions that were necessary in connection with these matters. The meetings were also attended by external legal advisors to the company and by representatives of the law firm Linklaters, which the Supervisory Board has commissioned to act as its independent legal counsel in this matter. The meetings were also widely attended by Supervisory Board members who were not members of the committee and opted to take advantage of the opportunity to take part as guests.

Training events: The Supervisory Board held four training events in 2025 that covered the use of artificial intelligence in the work of the Supervisory Board, climate policy and human rights, cell and gene therapy, and research and development in the Consumer Health Division.

Corporate governance

The Supervisory Board considered the principles of corporate governance at Bayer. It mainly addressed this topic at its December meeting, during which it dealt with the declaration of compliance with the German Corporate Governance Code and resolved to amend its Rules of Procedure by adjusting the target age limits for Board of Management members. During the Supervisory Board meetings, the Chairman of the Supervisory Board also summarized the dialogue he had engaged in with investors during investor discussions in January, February and April, as well as during a number of individual conversations. The topics included Board of Management compensation, the composition of the Supervisory Board and other governance-related matters in connection with the 2025 Annual Stockholders' Meeting.

Disclosure of meeting attendance

The members' attendance rate for the meetings of the full Supervisory Board and the committees was around 93%.

The Supervisory Board and its committees conduct some of their meetings in person, while the others are held either virtually as video conference calls or in a hybrid format in order to facilitate modern, more sustainable meeting formats. Individual participants were sometimes allowed to attend in-person meetings virtually. None of the meetings took place as a telephone conference call. Of the nine meetings held by the Supervisory Board, four were conducted in person and the others were held virtually. Of the 28 committee meetings in total, 10 were held in person and the others were conducted virtually or as hybrid meetings.

The participation of the individual Supervisory Board members in the meetings of the Supervisory Board and its committees is shown below:

Part 1

	Supervisory Board (9, of which 4 held in person)		**Audit Committee** (5, of which 2 held in person)		**Human Resources and Compensation Committee** (7, of which 2 held in person)		**ESG Committee** (4, of which 1 held in person)	
Number of meetings/participation rate (%)	Number	%	Number	%	Number	%	Number	%
Prof. Dr. Norbert Winkeljohann Chairman	9/9	100	5/5	100	7/7	100	4/4	100
Heike Hausfeld Vice Chairwoman	8/9	89	4/5	80	6/7	86	2/4	50
Dr. Paul Achleitner	9/9	100						
Horst Baier	9/9	100	5/5	100	7/7	100		
André van Broich	9/9	100			7/7	100	3/4	75
Ertharin Cousin	9/9	100					4/4	100
Nadine Dietz	8/9	89	4/4	100				
Yasmin Fahimi	8/9	89					3/4	75
Colleen A. Goggins	9/9	100					4/4	100
Francesco Grioli	7/9	78						
Frank Löllgen	7/9	78	4/5	80				
Marianne Maehl	8/9	89						
Kimberly Mathisen	9/9	100					4/4	100
Andrea Sacher	9/9	100			7/7	100		
Claudia Schade	9/9	100					4/4	100
Lori Schechter	9/9	100	5/5	100				
Dr. Nancy Simonian	9/9	100			7/7	100		
Jeffrey Ubben	8/9	89	5/5	100				
Alberto Weisser	9/9	100						
Michael Westmeier	9/9	100	5/5	100				

Part 2

	Nomination Committee (3, of which 1 held in person)		Legal Risk Committee (4, of which 2 held in person)		Presidial Committee (5, of which 2 held in person)	
Number of meetings/participation rate (%)	Number	%	Number	%	Number	%
Prof. Dr. Norbert Winkeljohann Chairman	3/3	100	4/4	100	5/5	100
Heike Hausfeld Vice Chairwoman			3/4	75	5/5	100
Dr. Paul Achleitner			4/4	100	3/5	60
Horst Baier						
André van Broich			4/4	100		
Ertharin Cousin						
Nadine Dietz					3/4	75
Yasmin Fahimi						
Colleen A. Goggins	2/3	67				
Francesco Grioli					5/5	100
Frank Löllgen			2/4	50		
Marianne Maehl						
Kimberly Mathisen	3/3	100				
Andrea Sacher			4/4	100		
Claudia Schade						
Lori Schechter			4/4	100		
Dr. Nancy Simonian						
Jeffrey Ubben			4/4	100		
Alberto Weisser	3/3	100			4/5	80
Michael Westmeier						

Financial statements and audits

The financial statements of Bayer AG were prepared according to the requirements of the German Commercial Code (HGB) and Stock Corporation Act (AktG). The Consolidated Financial Statements of the Bayer Group were prepared according to the IFRS® Accounting Standards as endorsed by the European Union. The applicable further requirements of Section 315a of the German Commercial Code (HGB) were also taken into account. The Combined Management Report was prepared according to the German Commercial Code (HGB).

The auditor, Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich, has audited the financial statements of Bayer AG, the Consolidated Financial Statements of the Bayer Group and the Combined Management Report. The auditor responsible for the audit was Silvia Geberth, who signed the Independent Auditor's Report for the first time for the year ended December 31, 2024. The conduct of the audit is explained in the auditor's reports. The auditor finds that Bayer has complied, as appropriate, with the German Commercial Code (HGB), the German Stock Corporation Act (AktG) and/or the IFRS® Accounting Standards endorsed by the European Union, and issues an unqualified opinion on the financial statements of Bayer AG, the Consolidated Financial Statements of the Bayer Group and the Combined Management Report. The financial statements of Bayer AG, the Consolidated Financial Statements of the Bayer Group, the Combined Management Report and the audit reports were submitted to all members of the Supervisory Board. They were discussed in detail by the Audit Committee and at a meeting of the full Supervisory Board. The auditor submitted a report on both occasions and was present during the discussions.

We examined the financial statements of Bayer AG, the proposal by the Board of Management for the use of the distributable profit, the Consolidated Financial Statements of the Bayer Group and the Combined Management Report. While examining the Combined Management Report, we also examined in particular the combined nonfinancial statement, which is based on the framework of the European Sustainability Reporting Standards (ESRS) and was subjected to a limited assurance review by the external auditor. We have no objections, and thus we concur with the result of the audit.

We have approved the financial statements of Bayer AG and the Consolidated Financial Statements of the Bayer Group prepared by the Board of Management. The financial statements of Bayer AG are thus confirmed. We are in agreement with the Combined Management Report and, in particular, with the assessment of the future development of the enterprise. We also concur with the dividend policy and the decisions concerning earnings retention by the company. We assent to the proposal by the Board of Management for the use of the distributable profit, which provides for payment of a dividend of €0.11 per share.

The Supervisory Board would like to thank the Board of Management and all employees for their dedication and hard work in 2025.

Leverkusen, March 3, 2026

For the Supervisory Board



Prof. Dr. Norbert Winkeljohann
Chairman

Investor Information

Bayer stock achieves turnaround

2025 was a year of surging stock performance for Bayer, which saw its share price rebound significantly from the historic low of €19.31 at year-end 2024 – the lowest level in over 20 years. The company's stock closed at €37.01 per share on December 31, 2025, marking a significant 92.5% increase against the closing price a year earlier. The German stock index (DAX 40) and the EURO STOXX 50 were up 23.0% and 21.2%, respectively, over the same period. Bayer AG's market capitalization increased by €17 billion to €36 billion.

Over the course of 2025, we made significant progress in delivering on our strategic priorities. These include driving growth and strengthening the pipeline at Pharmaceuticals, implementing Dynamic Shared Ownership, containing the litigations, and advancing our cash and deleveraging efforts, as the original four focus areas. Profitability at Crop Science was later added as a fifth strategic priority, with details shared during a webinar in May 2025.

Sell-side analysts adjusted their models and target prices in 2025. The average target price was €34.79 (as of the end of December 2025), compared to €27.70 a year earlier (as of the end of December 2024). Of the 19 analyst recommendations available for Bayer stock at the end of December 2025, nine were positive, nine neutral and one was negative (end of December 2024: three positive, 18 neutral and none negative).

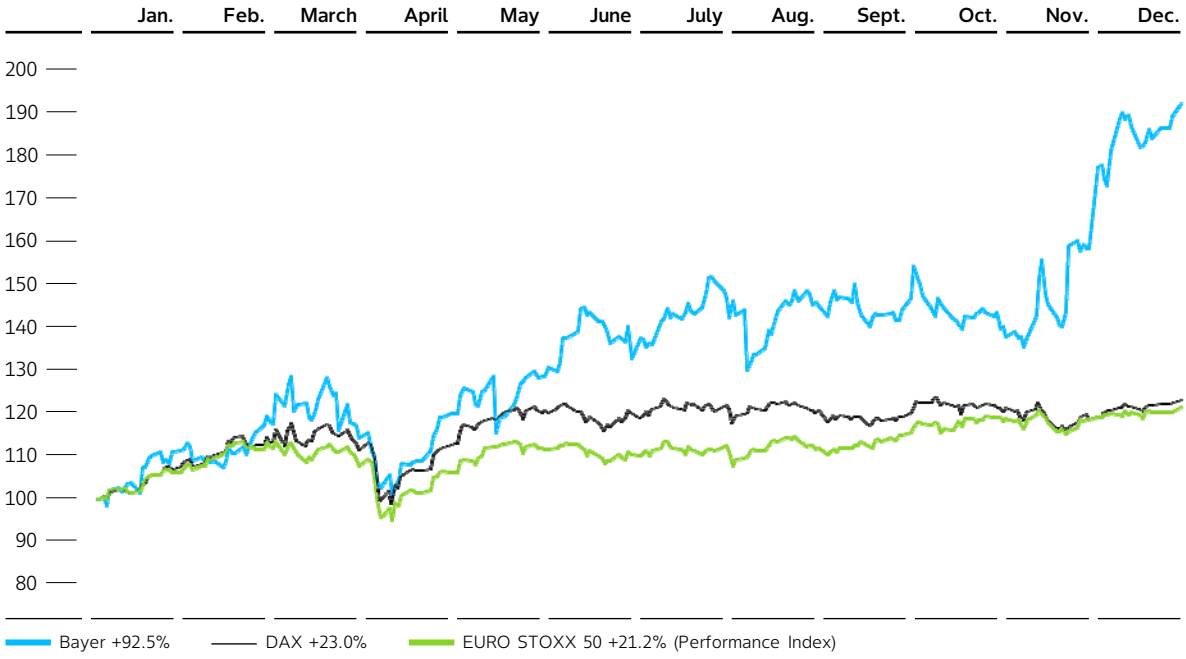
The key drivers that propelled Bayer's share price growth included the following:

// Guidance upgrade: We raised our full-year outlook for the Group as a whole and the Pharmaceuticals Division in the summer of 2025, largely thanks to strong topline performance by Nubeqa™ and Kerendia™.
// Asundexian: We achieved the primary efficacy and safety endpoints in the pivotal Phase III OCEANIC-STROKE trial investigating secondary stroke prevention in November 2025.
// Progress in the glyphosate litigations: In December 2025, the US Solicitor General expressed support for a US Supreme Court review of the Durnell case.

1

Performance of Bayer stock in 2025

Indexed; 100 = Xetra closing price on December 31, 2024



2

Bayer stock data

		2024	2025
Earnings per share from continuing and discontinued operations	€	(2.60)	(3.68)
Core earnings per share from continuing operations[1]	€	5.05	4.91
Free cash flow per share	€	3.16	2.12
Equity per share	€	32.62	26.53
Dividend per share	€	0.11	0.11
Year-end price[2]	€	19.31	37.01
High for the year[2]	€	35.60	37.01
Low for the year [2]	€	18.87	18.99
Total dividend payment	€ million	108	108
Number of shares entitled to the dividend (Dec. 31)	Shares (million)	982.42	982.42
Market capitalization (Dec. 31)	€ billion	19.0	36.4
Average daily share turnover on German stock exchanges	Shares (million)	4.3	3.8
Price/EPS[2]		(7.4)	(10.1)
Price/core EPS[2]		3.8	7.5
Price/free cash flow[2]		6.1	17.4
Dividend yield[2]	%	0.6	0.3

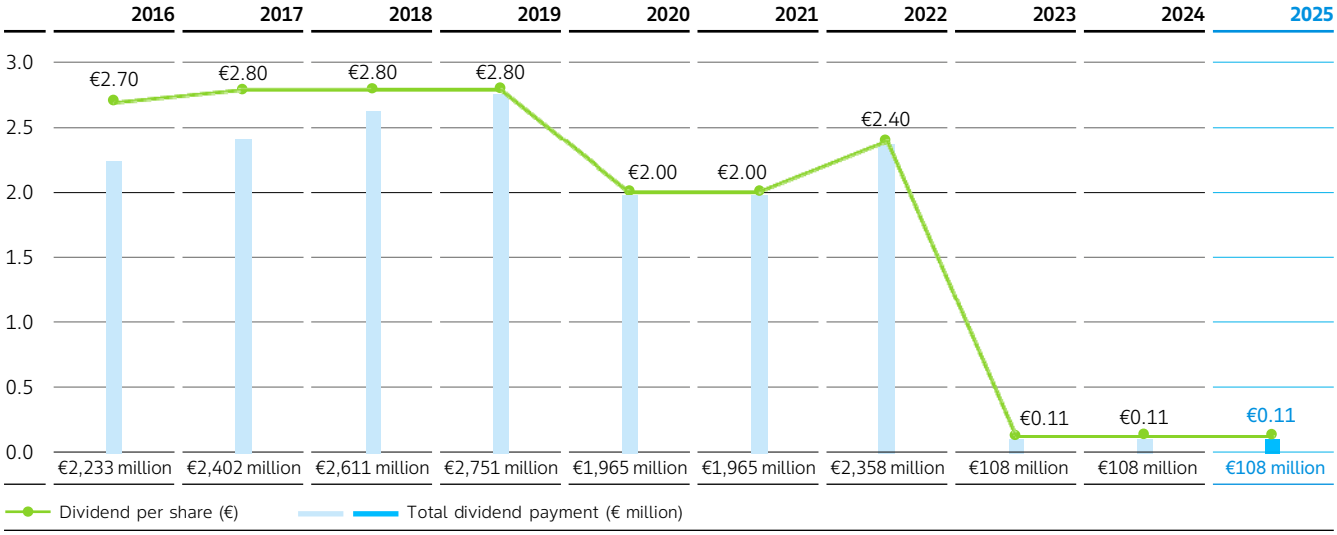
[1] For details on the calculation of core earnings per share, see Combined Management Report, A 2.3 "Alternative Performance Measures Used by the Bayer Group."
[2] XETRA closing prices (source: Bloomberg)

Dividend to remain at €0.11 as previously communicated

We amended our dividend policy for fiscal 2023, announcing that we planned to pay out the legally required minimum for three years. The Board of Management and the Supervisory Board will therefore propose to the Annual Stockholders' Meeting that an unchanged dividend of €0.11 per share be paid out for 2025. The dividend proposal is geared toward supporting our company's efforts to reduce debt. The dividend corresponds to 2.2% of 2025 core EPS (2024: 2.2%). Based on the Bayer share price at the end of 2025, the dividend yield is 0.3% (2024: 0.6%).

3

Dividends per share and total dividend payments



Bayer stock included in important indices

Bayer stock is listed on the DAX and numerous other key European indices, including the EURO STOXX 50, the FTSE Euro 100 and the S&P Europe 350. At the end of the year, Bayer was ranked 16th in the DAX 40 according to market capitalization. Bayer stock is also included in a number of sustainability indices, including FTSE4Good and MSCI Europe Low Carbon Leaders Index.

International ownership structure

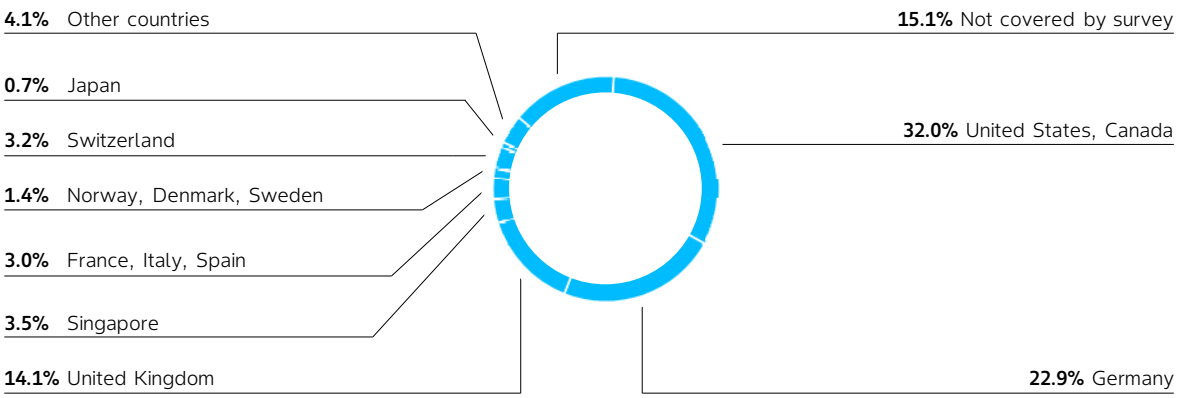
Our company's global footprint is also reflected in our international ownership structure. The biggest share of our capital stock, at 32.0%, is held by investors in North America. German-based stockholders are also a key group of investors, holding 22.9% of Bayer stock, while shareholders in the United Kingdom account for 14.1%. Irrespective of geographical distribution, some 18% of our shares are held by private stockholders.

According to our share register, we had approximately 566,000 stockholders at the end of 2025.

Bayer has a 100% free float as defined by Deutsche Börse, the operator of the Frankfurt Stock Exchange.

4

Shareholder composition – regional allocation



Source: CMi2i

Bayer steps up investor relations activities

Bayer management and the Investor Relations team maintained their close dialogue with analysts and investors in 2025. In addition to taking part in a host of investor conferences and roadshows, the Investor Relations team also participated in some 700 engagements in 2025, both in person and in virtual settings. The conversations focused on providing continuous updates on the progress being made with our strategic priorities and on the business performance of our three divisions.

After the positive experiences of recent years, we decided to hold our Annual Stockholders' Meeting in a virtual format once again in 2025. As in the previous two years, stockholders effectively had the same rights as they would have had at an in-person Annual Stockholders' Meeting. This included the ability to engage in direct dialogue with management during the Annual Stockholders' Meeting through video communication, and the right to submit motions and election proposals as well as to make statements and ask questions. In addition, we have continued to refine the virtual format and also plan to explore and implement additional improvements in the future, with a particular focus on enhancing interaction with stockholders.

Due to these positive experiences, we intend to deploy this format again in 2026 and hold a virtual Annual Stockholders' Meeting. Stockholders will have the same rights as they had at the 2025 event.

Sustainability: close dialogue with investors and ESG rating agencies

Last year, we maintained close dialogue with investors about the various aspects of sustainability at Bayer, with a focus on climate protection, biodiversity and regenerative farming; product stewardship, especially in crop protection; the progress made toward achieving our sustainability targets; and corporate governance.

At a webinar held in June 2025, we provided information on the latest developments related to our sustainability strategy. The discussions centered around the role of sustainability as a value driver in our divisions. Alongside bilateral investor discussions, we also engaged in targeted dialogue with individual investor groups in the context of collaborative engagements focusing on specific sustainability topics (such as Climate Action 100+, Nature Action 100, UNPRI Spring).

With regard to our ESG ratings, we attained further upgrades from MSCI Solutions, Sustainalytics, EcoVadis and CDP, and maintained our rating from ISS ESG. As such, our ESG rating profile is now even stronger that it was in previous years, with ratings that are on par with or above those of our peers.

Stable credit markets despite political uncertainty

Over the course of 2025, central banks reacted to stabilizing inflation rates in Europe and the United States by shifting away from the restrictive monetary policy employed in recent years and transitioning toward a more neutral form of monetary policy. Alongside inflation, the uncertainty triggered by the new trade policy announced in April by the US administration played a key role in this respect.

The European Central Bank lowered the deposit facility rate from 3.00% to 2.00% in four steps during the first six months of the year. By contrast, the US Federal Reserve did not begin to reduce interest rates until September. This cautious approach was due to difficulties in predicting the impact of higher US tariffs on local inflation, coupled with robust US labor market data indicating that there was no urgent need for action. Following three rate cuts in September, October and December, the US federal funds rate was in the 3.50% to 3.75% range at the end of the year.

The new global US tariffs announced in April only briefly impacted the degree of risk investors were willing to take, with markets recovering swiftly thanks to individual tariff agreements being struck with a number of trading partners and for a range of products. Central banks turning away from their restrictive monetary policy was also positively received, leading to a further narrowing of credit spreads on the bond markets for the remainder of the year.

Bayer capitalized on the positive environment and issued bonds in various markets to refinance financial liabilities falling due.

In January 2025, the company issued a Panda bond on the Chinese capital market, with a volume of CNY 2 billion, a maturity of three years and an interest rate of 2.4%. Another Panda bond was issued in July 2025 in two tranches. The first tranche has a volume of CNY 1 billion, a maturity of three years and an interest rate of 1.98%. The second tranche has a volume of CNY 1 billion, a maturity of five years and an interest rate of 2.23%.

In August 2025, Bayer issued a €400 million bond with a maturity of two years and a floating rate set at three-month Euribor plus 57 basis points, as part of a private placement.

In September 2025, Bayer AG tapped the Swiss bond market for the first time, issuing a bond with a total volume of CHF 265 million across two tranches. The first tranche has a volume of CHF 140 million, a maturity of five years and an interest rate of 1.075%. The second tranche has a volume of CHF 125 million, a maturity of nine years and an interest rate of 1.645%. By entering into additional markets, Bayer aims to diversify its investor base while at the same time capitalizing on attractive financing conditions.

About this Report

This Annual Report contains our financial reporting as well as the sustainability information required by commercial law. In combining the two, we aim to demonstrate the links between financial, ecological and societal factors and underline how they influence our company's long-term success.

Legal principles and reporting standards

The Consolidated Financial Statements of the Bayer Group as of December 31, 2025, comply with the IFRS® accounting standards, as adopted by the EU, valid at the closing date and with the provisions of the German Commercial Code (HGB) in conjunction with German financial reporting standards (DRS). With due regard to these provisions, the Combined Management Report provides an accurate overview of the financial position and results of operations of the Bayer Group. The Corporate Governance Report also conforms with the German Stock Corporation Act (AktG) and the recommendations of the German Corporate Governance Code.

The nonfinancial statement for the Bayer Group (Section 289b et seq. in conjunction with Section 315b et seq. of the German Commercial Code, HGB) forms a separate part of the Combined Management Report. The framework applied pursuant to Section 289d of the German Commercial Code (HGB) is the European Sustainability Reporting Standards (ESRS). Since ESRS application is not currently mandatory under the German Commercial Code (HGB), we do not define fiscal 2025 as the year of first-time application. Instead, the first year in which application is a regulatory requirement – i.e. once the EU Corporate Sustainability Reporting Directive (CSRD) is transposed into the German Commercial Code (HGB) – will be treated as the year of first-time application for ESRS. The legality, accuracy and expediency of the nonfinancial statement have been verified by the Supervisory Board.

The nonfinancial statement for Bayer AG as the parent company forms an additional, separate part of the Management Report. The framework applied pursuant to Section 289d of the German Commercial Code (HGB) is the GRI Standards.

The Annual Report is available online as a PDF. Furthermore, contents subject to the statutory disclosure requirement are published in the Company Registry under consideration of the specifications of the European Single Electronic Format (ESEF) Regulation.

Data collection and reporting thresholds

In accordance with IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations), financial indicators are given for continuing operations unless otherwise explicitly indicated. The sustainability data relating to the Bayer Group is presented in accordance with ESRS requirements.

External verification

The auditing company Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich, Germany, has audited the Consolidated Financial Statements of Bayer AG, Leverkusen, and the Combined Management Report for the fiscal year from January 1, 2025, to December 31, 2025, and has issued an unqualified opinion. The audit, which was conducted to obtain reasonable assurance, covers the general part of the Management Report, while the nonfinancial statement was subjected to a limited assurance review in 2025. In addition, our Opportunity and Risk Report contains certain disclosures concerning the description of the risk management system and the internal control system pursuant to Section 91, Paragraph 3 of the German Stock Corporation Act (AktG) that do not normally form part of the Management Report.

The Compensation Report was subject to a reasonable assurance review and is included in a separate chapter outside of the Management Report. The declaration of compliance with the German Corporate Governance Code has not been audited by the auditor.

Additional information

As the indicators in this report are stated in accordance with commercial rounding principles, totals and percentages may not always be exact.

A Combined Management Report

of the Bayer Group and Bayer AG as of December 31, 2025

1. Fundamental Information About the Group

1.1 Corporate Profile and Structure

1.1.1 Corporate Profile

We are a life science company and a global leader in health and nutrition. Our innovative products support efforts to overcome the major challenges presented by a growing and aging global population. Our work helps prevent, alleviate and treat diseases, empowers people to take better care of their own health needs, and also plays a part in securing a reliable supply of agricultural products while respecting our planet's natural resources. Our activities are systematically guided by our mission: "Health for all, Hunger for none."

We aim to enhance our company's earning power and create value for patients, farmers, consumers, shareholders, employees and society. Innovation, growth and sustainability are integral parts of our strategy.

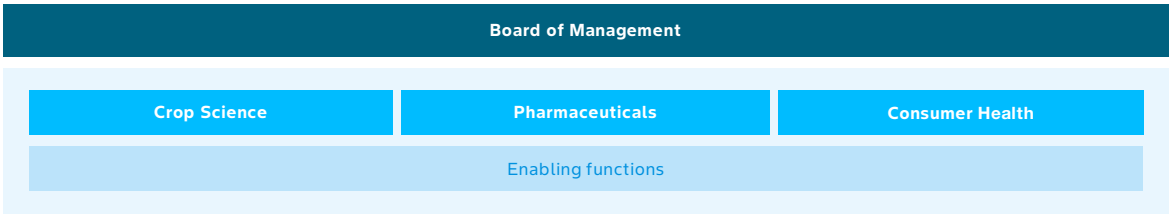
1.1.2 Corporate Structure

Corporate structure as of December 31, 2025

As the parent company of the Bayer Group, Bayer AG – represented by its Board of Management – performs the principal management functions for the entire enterprise. This mainly comprises the Group's strategic alignment, resource allocation and the management of financial affairs and managerial staff, along with the management of the Group-wide operational business of the Crop Science, Pharmaceuticals and Consumer Health divisions. The enabling functions support the operational business.

A 1.1.2/1

Bayer Group structure in 2025



Our divisions are active in the following areas:

Crop Science is the world's leading agriculture enterprise by sales, with businesses in crop protection, seeds and traits. We offer a broad portfolio of high-value seeds, improved plant traits, innovative chemical and biological crop protection products, digital solutions and extensive customer service for sustainable agriculture. We market these products primarily via wholesalers and retailers or directly to farmers. Most of our crop protection products are manufactured at our own production sites. Numerous decentralized formulation and filling sites enable the division to respond quickly to the needs of local markets. The breeding, propagation, production and/or processing of seeds, including seed dressing, take place at locations close to our customers, either at our own facilities or under contract.

Pharmaceuticals concentrates on prescription products, especially for cardiology and women's healthcare, and on specialty therapeutics focused on the areas of oncology, hematology, ophthalmology and, in the medium term, cell and gene therapy. The division also comprises the radiology business, which markets diagnostic imaging equipment and digital solutions together with the necessary contrast agents. Our portfolio includes a range of key products that are among the world's leading pharmaceuticals for their indications by sales, for example in the areas of cardiology, oncology, women's healthcare, ophthalmology and radiology. The division's prescription products are primarily distributed through wholesalers, pharmacies and hospitals.

Consumer Health is a world-leading supplier of nonprescription (OTC = over-the-counter) medicines for self-medication and self-care in terms of sales. Our portfolio comprises the categories nutritional supplements, allergy, cough and cold, dermatology, pain and cardiovascular risk prevention, and digestive health. The products are generally sold by pharmacies and pharmacy chains, supermarkets, online retailers and other large and small retailers.

The **enabling functions**, such as Finance, Human Resources and Information Technology, serve as Group-wide competence centers and bundle business support processes and services for the divisions. Our Leaps by Bayer unit, which invests in disruptive innovations, also forms part of the enabling functions.

More information on the divisions' products and activities can be found in the table below:

A 1.1.2/2

Products and activities of the divisions

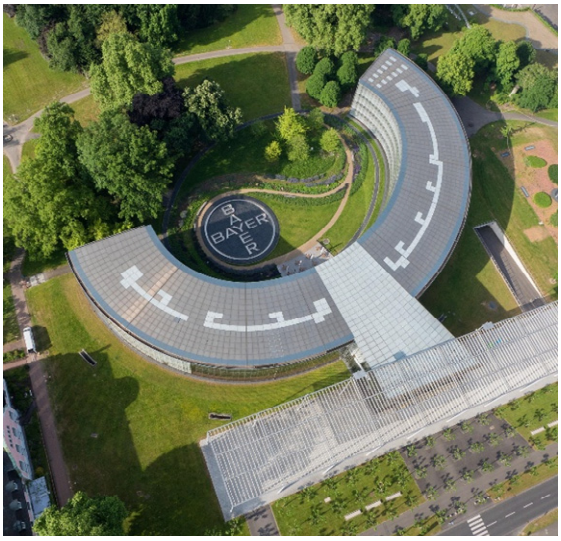
Indication/application/business	Core activities and markets	Main products and brands[1]
Crop Science		
Herbicides	Chemical crop protection products to control weeds	Adengo™, Alion™, Atlantis™, Conviso™, Harness™, Laudis™, Roundup™, Sakura™
Corn Seed & Traits	Seeds and traits for corn	DEKALB™, RIB Complete™, SmartStax™ PRO, Vitala™, VT Double™ PRO, VTPRO4™, Trecepta™, Preceon™
Soybean Seed & Traits	Seeds and traits for soybeans	Asgrow™, Intacta RR2PRO™, Intacta 2 Xtend™, Monsoy™, XtendFlex™
Fungicides	Biological and chemical products to protect crop plants against fungal diseases	Ambition™, Antracol™, Delaro Complete™, Fox™, Iblon™, Infinito™, Luna™, Nativo™, Prosaro™, Serenade™, Xivana™, Xpro™
Insecticides	Biological and chemical products to protect crop plants against harmful insects and their larvae	Confidor™, Curbix™, Flipper™, Movento™, Sivanto™, Vayego™, Velum/Verango™, Vynyty Citrus™
Cotton Seed	Seeds and traits for cotton	Bollgard™ 3 XtendFlex™, Deltapine™, Thryvon™
Vegetable Seeds	Vegetable seeds	DeRuiter™, Seminis™
Digital Agriculture	Digital applications for agriculture	Climate FieldView™, ForGround™
Other	Seeds and traits for oilseed rape/canola, rice, wheat and other crops. Products for consumer lawn and garden use and forestry, golf courses, railway tracks and landscape applications. Biological and chemical seed treatment products to protect against fungal diseases and pests	Arize™, Dekalb™, Gaucho™, Roundup™, TruFlex™
Pharmaceuticals		
Cardiology	Hypertension, pulmonary hypertension, heart attack and stroke, thrombosis, coronary artery disease (CAD), peripheral artery disease (PAD), symptomatic chronic heart failure, chronic kidney disease and type 2 diabetes	Adalat™, Adempas™, Aspirin™ Cardio, Beyonttra™, Kerendia™, Verquvo™, Xarelto™
Oncology	Liver cancer, renal cell carcinoma, thyroid carcinoma, prostate cancer, colorectal cancer, gastrointestinal stromal tumors (GIST), solid tumors with NTRK gene fusions	Nexavar™, Nubeqa™, Stivarga™, Vitrakvi™, Xofigo™
Ophthalmology	Visual impairment due to age-related macular degeneration (AMD), diabetic macular edema (DME) or retinal vein occlusion (RVO)	Eylea™
Hematology	Hemophilia A	Kovaltry™/Jivi™
Women's Healthcare	Contraception, gynecological therapy	Lynkuet™, Mirena™ product family, Qlaira™, Visanne™, YAZ™ product family
Infectious Diseases	Bacterial infections	Avalox™/Avelox™, Cipro™, Ciprobay™
Radiology	Contrast agents; diagnostic imaging equipment for use with contrast agents	Gadovist™, Medrad Centargo™, Medrad MRXperion™, Medrad Stellant™, Primovist™, Ultravist™
Neurology	Multiple sclerosis	Betaferon™/Betaseron™
Consumer Health		
Dermatology	Wound care, skin care, skin and intimate health	Bepanthen™, Canesten™
Nutritionals	Multivitamin products, dietary supplements	Berocca™, Elevit™, One A Day™, Redoxon™, Supradyn™
Pain & Cardio	General pain relief and cardiovascular risk prevention	Aleve™, Aspirin™
Digestive Health	Digestive health complaints	Alka-Seltzer™, Iberogast™, MiraLAX™, Rennie™, Talcid™
Allergy & Cold	Allergies, cough and cold	Afrin™, Alka-Seltzer™, Aspirin™, Claritin™

[1] The order of the products listed is no indication of their importance.

Our company has a global footprint. As of December 31, 2025, the Bayer Group comprised 272 consolidated companies in approximately 80 countries.

A 1.1.2/3

Selected Bayer sites in 2025



Administrative sites

Basel, Switzerland
Berlin, Germany
Leverkusen, Germany (headquarters)
Monheim am Rhein, Germany
St. Louis, United States



Research and development sites

Crop Science
Chesterfield, United States
Lyon, France
Monheim am Rhein, Germany

Pharmaceuticals
Berlin, Germany
Whippany, United States
Wuppertal, Germany

Consumer Health
Basel, Switzerland
Gaillard, France
Whippany, United States



Production sites

Crop Science
Dormagen, Germany
Luling, United States
Vapi, India

Pharmaceuticals
Bergkamen, Germany
Berlin, Germany
Leverkusen, Germany

Consumer Health
Grenzach, Germany
Lerma, Mexico
Myerstown, United States

Selected R&D and production sites based on number of employees (FTEs)

1.1.3 Intangible Resources

We have identified the following intangible resources upon which our business model fundamentally depends. These resources constitute a source of value creation for our company but are either not fully reflected in the statement of financial position or not reflected at all.

Employees

The long-term economic success of our company is largely based on the expertise and commitment of our employees, which we foster through attractive employment conditions and a diverse range of training and development opportunities. Particularly in the area of research and development (R&D), our highly qualified scientists help to overcome global challenges in healthcare and agriculture, in keeping with our mission: “Health for all, Hunger for none.”

Innovations

As a life science company, innovations are the foundation upon which we create value and are aligned with the innovation strategies of our divisions. At **Crop Science**, we are driving forward the development of innovative products and services, and increasingly offering our customers comprehensive and novel systems solutions to strengthen long-term growth. Our **Pharmaceuticals** Division focuses on four core areas – Oncology, Cardiovascular, Neurology & Rare Diseases, and Immunology – to translate higher innovation quality and productivity into long-term growth. At **Consumer Health**, we focus on developing new, personalized products across our range of everyday health categories.

Brand

The financial value of our brand in 2025 was rated at US$6.2 billion by Brand Finance (2024: US$5.5 billion). In the Global 500 Most Valuable and Strongest Brands 2025 ranking, our brand was ranked as the fifth most valuable worldwide in pharmaceuticals, while we defended our number one spot as the world’s most valuable brand in agriculture. Brand Finance uses the Royalty Relief approach to compile its ranking. This involves valuing corporate brands based on the hypothetical cash flows that are saved because the respective business owns the brand and therefore does not need to license it.

1.2 Strategy and Management

1.2.1 Strategy and Targets

Group strategy

Humanity is facing major challenges: The world’s population continues to grow and age, and nature’s ecosystems are being exposed to increasing strain. As one of the world’s leading companies in the fields of health and nutrition, we are able to play a key role in devising solutions to tackle these challenges. Our “Health for all, Hunger for none” mission guides our activities and motivates us to make a sustainable contribution to improving people’s lives through our products and services. We are committed to improving access to nutrition and healthcare while also reducing the ecological footprint of our organization and of farming as a whole.

We rely on innovation to develop new products and solutions. Our company is active in regulated and highly profitable businesses that are driven by innovation, and our objective is to grow ahead of the competition. At the same time, we are also optimizing our resource allocation and cost structure. As part of these efforts, we endeavor to ensure that growth, profitability and sustainability go hand in hand. Through our business activities, we can make a contribution to achieving the United Nations’ Sustainable Development Goals (SDGs). We also pursue resolute, science-based climate action along our entire value chain. In addition, we leverage new technologies such as artificial intelligence (AI) to help us optimize our business processes and make our work more efficient and effective.

Bayer-wide implementation of the new Dynamic Shared Ownership operating model continues to be a top priority and a central element of our strategy to strengthen our company’s alignment with our “Health for all, Hunger for none” mission and constantly improve our financial performance. Activities are prioritized based on their contribution to the mission, with progress measured in short, 90-day cycles and dynamic resource allocation being employed. We aim to gain greater agility as a result, while also reducing coordination work and removing management layers. We no longer work in hierarchies but rather are committed to promoting the curiosity, creativity and expertise of our

employees. Through self-organized, entrepreneurial teams, we focus on the needs of our customers in everything we do, with the goal of being able to bring world-leading innovations to market faster, and providing even better support to farmers, patients and consumers.

Strategies of the divisions

Crop Science

The agricultural sector is undergoing a major transformation: Increasing pressures due to climate change combined with a growing population and geopolitical uncertainty have created a pivotal moment in how our customers provide food, animal feed, fuel and textile fibers for a world that needs to find ways to manage its limited resources responsibly. At the same time, the sector continues to shift toward greater specialization and changing competition across the value chain, creating new players and opening up opportunities for new markets and value pools. Furthermore, volatile market prices, stricter regulation and unpredictable weather events all have a negative impact on farmers' profitability, increasing their costs and making revenues uncertain. That is why we are focusing on innovation and partnership to strengthen our resilience in this dynamic and uncertain environment and create value for farmers and our company.

Building on the strengths of our business model, we have put in place our Five-Year Framework, which centers on strengthening our core business. Through a consistent focus on sales growth, margin expansion and sustainable positive cash flow development, we aim to improve profitability and return to mid-20% EBITDA margins before special items. We also aim to increase our resilience and agility to unlock the value of our innovative pipeline and deliver above-market growth. Our goal is to continue to build a responsible business to provide integrated agricultural solutions that deliver value while establishing and scaling regenerative farming practices.

To drive our strategic growth, we plan to launch ten blockbuster products, each with sales exceeding €500 million, over the next ten years to continue supporting farmers worldwide with new technologies. We are developing innovative system solutions for our customers such as our Preceon™ Smart Corn System for short-stature corn and our Vyconic™ next-generation herbicide-tolerant soybean varieties. With the new herbicide Icafolin, we plan to launch agriculture's first new mode of action for post-emergent weed control in broad-acre crops in three decades. We are also investing in direct-seeded rice as an approach to transform the rice sector into a sustainable system centered around farmers' needs. We are expanding our direct access to smallholder farmers through our Better Life Farming model, combining agri-entrepreneurship with in-depth knowledge. We are also exploring market expansion opportunities, such as biotechnology traits for corn in Africa and Asia, and the use of new breeding methods such as gene editing in Europe. Furthermore, we are targeting new value pools, including biological crop protection products, wheat hybrids and biofuels.

Our R&D capabilities form the basis for these innovations in the areas of Seeds & Traits, Crop Protection and Digital Farming. In the field of AI, we are leveraging our innovative CropKey approach to crop protection chemistry to achieve improved levels of precision, safety and sustainability by designing crop protection molecules that are engineered to be highly target-specific with a minimal environmental footprint. Our expertise in precision breeding tools is a central part of our efforts to develop crops with improved traits for higher yields and greater resilience.

Combining our portfolio with digital insights increases the benefits for farmers, as is the case with our Climate FieldView™ digital software platform, for example. Programs like VAlora in Brazil, the Preceon™ system in the United States and PrediView in Europe provide science-based recommendations on how to optimize the value of our leading innovations, thereby aiming to increase the return on investment for farmers. Our digital developments accelerate innovation, drive process automation and increase R&D pipeline productivity.

Our vision is to transform the agricultural sector at scale by enabling the adoption of regenerative farming practices and systems to create a more resilient food production system. Our innovations are key tools and building blocks in this endeavor. We base this vision on the three pillars "Produce 50% More. Restore Nature. Scale Regenerative Agriculture." The first pillar aligns with projections by the Food and Agriculture Organization (FAO) of the United Nations that food production needs to increase significantly to meet the needs of a growing population, to which we aim to contribute with our portfolio. The second pillar links to our downstream sustainability targets, while the last pillar focuses

on the introduction of systems and solutions that are designed to help farmers implement regenerative agriculture practices.

We promote a concept of regenerative agriculture that is defined as an outcome-driven cropping system aimed at strengthening the resilience of agricultural production. This concept is based on two interconnected objectives: helping farmers maintain or increase yields with reduced application of agricultural inputs for improved social and economic wellbeing outcomes; and regeneration, which prioritizes a positive impact on nature. This second aspect includes efforts such as striving to improve soil health, preserving and restoring biodiversity in areas devoted to agriculture, conserving water resources, reducing field-level greenhouse gas emissions and increasing carbon sequestration.

In addition, we are pursuing ambitious sustainability targets through 2030. One of these targets is to support a total of 100 million smallholder farmers in medium- and low-income countries by improving their access to agricultural products, services and partnerships.

Pharmaceuticals

Driven by an aging population, the incidence of chronic diseases is on the rise, and an increasing number of patients are suffering from multiple conditions affecting their quality of life. Scientific breakthroughs in fields such as cell and gene therapy and precision medicine have the potential to cure patients with the highest unmet needs or even prevent diseases in the first place. In this regard, the pharmaceuticals market offers significant opportunities. At the same time, we also see risks related to the rising costs faced by healthcare systems around the world, which is putting added pressure on prices and the way the cost-benefit profiles of new drugs are evaluated. We have therefore defined clear strategic priorities: maximizing the operational performance of our marketed products and bolstering our topline with successful launches and advances in our research and development pipeline.

Besides focusing on leveraging our current portfolio to its fullest potential, we are also working on additional growth drivers, including five new medicines with significant sales potential. Four of them – Nubeqa™ (oncology), Kerendia™ (cardiovascular), Beyonttra™ (cardiovascular) and Lynkuet™ (women's healthcare) – are already on the market. For the fifth medicine, our active ingredient asundexian, we are currently working on obtaining regulatory approval in the indication secondary stroke prevention on the basis of positive clinical study results. We are focusing our marketing and R&D resources on driving the success of these strategic products, for all of which we own the full global marketing rights (with the exception of Beyonttra™, where we hold the European marketing rights). In addition, we are investing to further grow and build our US business in view of the country's high market potential.

To safeguard long-term growth, we are continuing to invest in R&D as part of our focused strategy to deliver an innovative, differentiated and sustainable pipeline. We are concentrating on Oncology, Cardiovascular (including cardiovascular precision medicine, nephrology and acute care), Neurology & Rare Diseases and Immunology as therapeutic areas with high potential in terms of impact and value. We continuously strive to improve our R&D productivity. Our key measures are centered around R&D excellence, an organizational set-up focused on our development products, dynamic resource allocation, data science and AI.

In addition to strengthening our internal R&D capabilities, we are continuing to invest in our platform companies. BlueRock Therapeutics LP, United States, and Asklepios BioPharmaceutical, Inc. (AskBio), United States, are working steadily on developing breakthrough cell and gene therapies, while Vividion Therapeutics, Inc., United States, is strengthening our discovery capabilities, especially in Oncology and Immunology. Moreover, we are stepping up our efforts to access external innovation through research collaborations and in-licensing, and capturing continued growth opportunities in biologics and novel technologies.

Making medicines accessible is key to our sustainability agenda. Another focus is on improving women's health and strengthening their role in society by helping to promote gender equality and women's economic participation. As part of this endeavor, we are leveraging our leading position in women's healthcare (by sales) to provide 100 million women per year in low- and middle-income countries with access to modern contraception by 2030. Our partnerships with organizations such as UNFPA, the Gates Foundation and the Red Cross, as well as digital partnerships with Your Life, Life Yangu, UNFPA India and Zuri Health, support this goal. In addition, we are committed to combating neglected tropical diseases and noncommunicable diseases.

Consumer Health

Increasing health awareness among consumers, changing demographics and rising healthcare costs continue to fuel the attractive long-term development of the consumer healthcare market. A more prominent consumer focus on self-care, prevention and well-being is expected to continue to drive growth across all core consumer health categories. We also anticipate continued channel shifts towards e-commerce.

We provide consumers with trusted products, services and information that empower them to live healthier lives. As part of these endeavors, we aim to expand our reach to billions of people around the world. Our strategy focuses on growing our brands in core consumer health categories. This profitable growth is driven by strong, science-based and trusted brands as well as the launch of innovative new products.

In steering our business, we employ an agile resource allocation model. It prioritizes key country-brand intersections and future-oriented growth opportunities in which we aim to gain consumers' trust with our brands. Creating value for our retail partners and advancing engagement with healthcare professionals are also important factors in this respect. In addition, we are focused on driving productivity, efficiency and resilience across the entire value chain as we look to optimize our cost base and cash productivity, and reinvest freed-up resources in market growth opportunities.

We leverage an agile innovation model and collaborate with external partners to further develop our existing brands and deliver innovations. Through acquisitions and partnerships, we have also gained access to new business models and capabilities to provide personalized diagnostics and treatment solutions.

Furthermore, we are pursuing ambitious sustainability targets. By 2030, we aim to expand access to self-care for 100 million people in economically or medically underserved communities per year. This ambition is fully embedded across our operations as we seek to offer solutions that best serve consumers, in particular those for whom self-care is the primary form of care. We are also working to reduce our impact on the environment, in line with the Bayer Climate Program and our sustainable packaging ambition. Together, these measures are expected to help safeguard our prospects for the future.

Group-wide activities relating to climate action and decarbonization

As part of the Bayer Climate Program, we take active steps to address the challenges arising from climate change. We pursue an approach that is based on transition and transformation. The transition part centers around reducing our own emissions in line with the Paris climate goals. Our aim is to markedly decrease our greenhouse gas emissions by 2029 and then achieve net-zero greenhouse gas emissions by 2050. The transformation part involves adapting our product portfolio and developing new business models in order to proactively mitigate the impacts of climate change. Our Crop Science Division focuses on innovations that contribute to food security, in particular in the areas of new crop breeds, biotechnology, chemical crop protection and biologicals, but also in the field of digital farming and systems for our regenerative agriculture concept. In addition, our Pharmaceuticals and Consumer Health divisions are working on solutions to address health-related challenges linked to climate change.

1.2.2 Management Systems

Planning and steering

Economic planning and steering are conducted in line with the strategic business plan formulated by the Board of Management, which contains the strategic frameworks for the Group and the divisions and how they translate into specific targets. The planning and steering process is complemented by the continuous monitoring of business developments, with key financial and nonfinancial management and performance indicators being updated regularly.

The following financial and nonfinancial indicators were employed to plan, steer and monitor the development of our business:

Operational management indicators

The main parameters in performance management at the operational level are sales growth, earnings and cash flow data, which also form the basis of short-term variable compensation (STI). Sales growth is measured in terms of the change in sales after adjusting for currency and portfolio effects (Fx & portfolio adj.) in order to reflect the operational business development of the Group and the divisions. A key measure of profitability is the EBITDA margin before special items, which is the ratio of EBITDA before special items to sales. Another important profitability indicator for the Bayer Group is core earnings per share, which is the core net income divided by the weighted average number of shares. Free cash flow – an absolute indicator – shows the generation of freely available financial resources and also reflects the company's financial strength and earning power.

Strategic value management indicator: ROCE

Return on capital employed (ROCE) is used as a strategic metric to measure the company's operating profit after taxes in relation to the average capital employed. Comparing ROCE against the weighted average cost of capital (WACC) on an annual basis illustrates the level of value creation. It is also one of the parameters used for the ongoing 2023 tranche of our long-term stock-based cash compensation (LTI) program.

Total shareholder return

We aim to create shareholder value and thus deliver attractive returns for our stockholders. Total shareholder return (TSR) is determined based on the change in the share price over the measurement period plus any dividends paid in the interim. It is one of the parameters used for calculating the LTI both for the Board of Management and for eligible employees.

Sustainability

We aim to improve people's lives through our products. At the same time, we also endeavor to reduce our ecological footprint. We steer and measure the attainment of our sustainability targets with the aid of nonfinancial key performance indicators (KPIs). We take into account the number of people reached in the "100 million" divisional targets and our greenhouse gas emissions as indicators for tracking the sustainable management of our business and the reduction of our ecological footprint. Our sustainability KPIs are also factored into the LTI program.

Management system

All management systems in place at Bayer sit within a framework that is based on the respective international management system standards and practices, ensuring compliance with the law and with external and internal requirements while also facilitating efficient ways of working. This is achieved through internal regulations and applicable processes involving clear roles and responsibilities. The management systems in place at Bayer therefore play a key role in safeguarding our company's license to operate.

1.3 Focus on Innovation

We create value for customers and society by offering new solutions. Our activities focus on innovative products based on our research and development (R&D) competencies, supplemented by new approaches in our process, service and business models. We are also committed to social innovation to improve living conditions for people in developing countries and disadvantaged individuals in our society.

The results of our research and development help us contribute to solving global challenges in medical care and agriculture. In addition to the strong innovative capabilities of our employees throughout the company, our efforts are driven by a broad open innovation network and the use of new, groundbreaking technologies. Data science insights and the use of AI play a key role here, enabling us to further strengthen our innovation capabilities and develop transformative solutions for the future.

Partnerships are integral to our innovation strategy, ensuring access to complementary technologies and expertise. We enter into strategic alliances with various partners such as universities, governmental agencies, start-ups, suppliers and other industrial companies.

We maintain a global network of R&D locations where around 15,000 Bayer employees work. In 2025, our research and development spend before special items amounted to €6,035 million (2024: €5,860 million).

Excellence in research and development

The activities we pursue are aligned with the innovation strategies of our divisions, and are aimed at improving human and plant health and sustainably safeguarding stable harvests in agriculture in line with our mission, “Health for all, Hunger for none.” The focus at Crop Science lies on the development of cutting-edge technologies and innovation in the areas of crop protection, seeds and traits so that we can offer our customers tailored products and services. Our Pharmaceuticals Division focuses on the research and development of prescription medicines in four core areas: Oncology, Cardiovascular, Neurology & Rare Diseases, and Immunology. At Consumer Health, we concentrate on developing new nonprescription products and solutions that improve consumer health and well-being. Further information on the R&D activities of the divisions is presented in the division-specific sections below.

Our Life Science Collaboration program provides a platform that enables our R&D employees to actively foster disruptive innovations relating to new technologies and data science, both within the R&D pipeline and beyond, in cross-divisional, interdisciplinary teams. This program also provides development opportunities for our scientists while at the same time facilitating the recruitment of external researchers to our organization.

The Bayer Bioethics Council, an external body that advises Bayer on bioethical issues relating to new life science technologies, met once in 2025 and discussed issues such as generative intelligence in chatbots and medical devices for external communication, and access to medicines following clinical trials. In addition, meetings on specific topics were held with individual members of the Bioethics Council. The Bayer Science Collaboration Explorer transparency initiative publishes information on contract-based collaborations with R&D partners around the world, involving Bayer business units in Germany, the United States, Switzerland and Brazil and covering more than 1,700 contracts.

Leaps by Bayer

Through our venture capital arm Leaps by Bayer, we invest in disruptive innovations in the areas of health and agriculture. The investment activities of Leaps by Bayer are focused on applying and further developing new technologies with the potential to solve some of humankind's most pressing problems and thus also make an important contribution to the Sustainable Development Goals of the United Nations. The framework established for the adoption of new activities is defined by the 10 "leaps":

// Cure genetic diseases
// Provide sustainable organ and tissue replacement
// Reduce environmental impact of agriculture
// Prevent and cure cancer
// Protect brain and mind
// Reverse autoimmune diseases and chronic inflammation
// Provide next-generation healthy crops
// Develop sustainable protein supply
// Prevent crop and food loss
// Transform health with data

The Leaps by Bayer portfolio comprised almost 50 active investments in biotech and tech start-ups at the end of 2025.

Leaps by Bayer announced investments in two new companies in 2025. At the start of the year, Leaps invested in the agricultural biotech company Decibel Bio, Inc., United States, which develops epigenetic technologies to alter crop traits without affecting DNA sequences. These technologies can take the form of seed treatments or "sprayable traits," allowing growers to select seeds and traits separately in a first-of-its-kind solution for agriculture.

Several Leaps portfolio companies in the agricultural sector also announced collaborations with well-known organizations. The Leaps portfolio company American Autonomy Inc., United States, announced that its proprietary software AcreConnect™ has now been integrated into Bayer's Climate FieldView™ digital platform for agriculture. This combination gives farmers a more comprehensive overview of their operations by including spray drone application records and maps. In addition, the Leaps portfolio company Pairwise Plants, LLC, United States, announced two new partnerships: a collaboration with food company Mars Inc., United States, to accelerate cocoa development, and a strategic partnership with Sun World International LLC, United States, for research and development in the field of pitless cherries. Sun World International is a leading agricultural company specializing in the breeding, production and marketing of high-quality fruit varieties, especially grapes and cherries.

In the healthcare sector, Leaps announced its investment in Soufflé Therapeutics, Inc., United States. Soufflé is developing an innovative platform for genetic medicines aimed at delivering therapies to the right cells and tissues in the body – one of the greatest medical challenges in this area. This approach has the potential to expand the reach of gene editing and RNA-based medicines to a host of diseases that were previously out of therapeutic reach.

In the United States, another significant milestone was reached by the Leaps portfolio company eGenesis, Inc., United States, which for the second time performed the successful intracorporeal transplantation of a porcine kidney into a human patient. The patient lived for almost nine months with the organ before switching back to dialysis, setting a new medical record. Furthermore, eGenesis and OrganOx Ltd., United Kingdom, announced that the US Food and Drug Administration (FDA) had granted approval for a clinical study investigating the treatment of patients with acute-on-chronic liver failure, representing a significant advance in the development of new organ therapies.

The acquisition of the Leaps portfolio company Capstan Therapeutics Inc., United States, by AbbVie Inc., United States, was also announced in 2025. Leaps invested in Capstan in 2022 and recognized from an early stage the company's ability to address the safety and manufacturing complexities associated with conventional, biologically de-risked CAR-T therapy.

In 2025, Leaps by Bayer participated in more than 18 follow-up investment rounds and helped numerous portfolio companies achieve initial clinical milestones such as Phase I study registration.

Patents protect Bayer's intellectual property

Reliable global protection of intellectual property rights is particularly important for an innovation company like Bayer. In most cases, it would be impossible to cover the high costs and risks incurred in the research and development of innovative products without this protection. We are therefore committed to protecting both the international patent system and our own intellectual property worldwide. Depending on the legal framework, we endeavor to obtain patent protection for our products and technologies in major markets. When we successfully market patent-protected products, we are able to invest the profits sustainably in research and development.

The term of a patent is normally 20 years from the date the application is filed. Since it takes an average of 11 to 13 years to develop a new medicine or crop protection active ingredient, only seven to nine years of patent protection remain following the product's approval. The same applies to the development of new transgenic traits. To nevertheless provide an adequate incentive to make the necessary major investments in research and development, the European Union member states, the United States, Japan and some other countries extend patent terms or issue supplementary protection certificates to compensate for the shortening of the effective protection period for pharmaceutical and crop protection patents, but not for transgenic traits.

Crop Science

Working with digital applications and teams of experts, we develop a broad spectrum of tailored solutions that enable farmers to achieve higher productivity in a sustainable manner. Our R&D organization comprises approximately 7,300 employees (2024: 7,800)[1] operating in more than 60 countries around the world. We also collaborate with many external partners under our Open Innovation model to strengthen our innovation power.

Research and development capacities

Our R&D is focused on developing solutions for farmers and customers across multiple indications. Using a targeted approach, we focus on bringing together our expertise across the following disciplines to deliver innovation faster.

Our **breeding** innovations are aimed at improving crop yields, boosting resilience against pests, disease and a changing climate, and improving quality. We combine genomic, phenotypic and environmental data with the use of advanced breeding methods and AI to develop novel seed products. Advances in controlled-environment greenhouses, automated and prescriptive seed packaging systems, and advanced field data collection systems enable us to accelerate the development and positioning of seed products for our largest markets. Through our advanced breeding program, we were able to deploy more than 500 new hybrid and varietal seed products in 2025, across corn, soybeans, cotton, oilseed rape/canola, rice, wheat and vegetables.

Biotechnology and **genome editing** tools allow us to develop traits in crops like corn, soybeans, cotton and canola that strengthen plants' resistance to insect pests, disease, weeds and other environmental stresses such as drought or high winds, thereby protecting or enhancing yields. Biotechnology enables sustainable farming with reduced pesticide use and conservative tillage practices that are designed to preserve topsoil and decrease CO_2 emissions. We are the global leader in plant biotechnology and have 13 next-generation traits in development.

[1] Including permanent and temporary employees

In our **small molecule chemistry** program, we design, develop and optimize new, safe and sustainable crop protection products with herbicidal, insecticidal and fungicidal activity. We are working on tailored solutions that will help farmers achieve better harvests by managing threats in a more targeted manner. With hundreds of new crop protection product registrations annually, our life-cycle management program allows us to extend the reach of our products into new crops and geographies. Discovering new modes of action (MoAs) is one of the priorities of our new CropKey approach, contributing to finding improved solutions for our customers' needs and achieving our sustainability targets, with a particular focus on reducing the environmental impact of crop protection.

Our **biologicals** unit encompasses a broad range of solutions with a focus on microbial organisms and materials derived from them as well as plant extracts. Biologicals have the potential to reduce the use of synthetic chemicals, decrease residue levels and support resistance management strategies. By introducing biological products into programs or combining them with traditional chemistry, we are building a more holistic application system. We are optimizing our activities in this field by partnering with innovation leaders and strengthening internal R&D activities in the areas of product development and support for product launches.

Through Climate FieldView™, our flagship digital farming platform, we have established strong customer value through seamless data collection from farm equipment, year-round insights that support agronomic decisions, and product performance transparency. Adoption has reached more than 275 million subscribed acres in our main markets. As the platform has expanded, farmers have shared vast amounts of product performance data under real-world management practices with us, which we have combined with other datasets to build predictive models that increase the value of our seed and crop protection portfolio. Closing the customer experience loop, FieldView™ is then used as the platform to deliver customized product recommendations, tailored to farmers' individual fields.

Research and development pipeline

Our product pipeline contains numerous new small molecule products, seed varieties, digital products and biologicals that promote sustainable agriculture and help improve farmer productivity. The following table shows new products in late development phases[2] that are scheduled to be launched by 2028.

[2] Products in late development phases have proven proof of concepts validated by field studies and are ready for hand-off to the regulatory team for regulatory approvals.

A 1.3/1

Product innovation pipeline[1]

Crop/digital application	First launch	Product group	Indication	Product/trait/number of hybrids or varieties
Corn	Annual	Breeding/native trait	Crop efficiency	~ 300 new corn seed hybrids in 2025
	2027	Biotechnology trait	Crop efficiency	Preceon™/short-stature corn
	2028	Biotechnology trait	Pest management	CRW4
Soybeans	Annual	Breeding/native trait	Crop efficiency	> 100 new soybean seed varieties in 2025
	2027	Biotechnology trait	Weed management	Vyconic™ soybeans
	2028	Biotechnology trait	Pest management	Intacta 5+™/IP3
Cotton	Annual	Breeding/native trait	Crop efficiency	20 new cotton seed varieties in 2025
Crop Protection	Annual	Biological/small molecule LCM[2]	Crop efficiency, disease, pest and weed management	~ 370 new crop protection registration approvals in 2025
	2028	Crop protection	Weed management	Icafolin-methyl
Vegetables	Annual	Breeding/native trait	Crop efficiency, disease management	70 new vegetable seed varieties in 2025
Digital applications	Annual	Value chain solutions	Carbon markets	Enable offset and inset approaches for carbon markets in North America, while advancing our pilot projects in other regions
	Annual	Value chain solutions	Fruits and vegetables	Updates to digital solutions for predicting crop protection residues in fresh fruits and vegetables
	Annual	Tailored solutions	Crop efficiency	Corn seed hybrid selection and planting density recommendations for North America, Latin America and Europe Cereal disease management in Europe/Middle East/Africa Updates to data applications aimed at improving soy germplasm performance and driving trait adoption Updates to digital platform to drive the adoption of direct seeded rice in Asia

As of January 2026
[1] Planned market launch of selected new products, subject to regulatory approval
[2] Life-cycle management

In 2025, we launched confirmatory technical proof-of-concept field studies for three new small-molecule active ingredients and plant traits[3]. For 2026, we aim to launch confirmatory technical proof-of-concept field studies for two to three new small-molecule active ingredients and plant traits.

New products and registrations in 2025 (examples)

In March, we received the first registrations in Canada for the use of mesotrione as an over-the-top application and for pre-plant burn-down use as part of our Vyconic™ soybean technology, which is expected to launch in 2027.

In June, we presented newly developed tomato varieties that can provide longer-lasting protection against the resistance-breaking tomato brown rugose fruit virus (ToBRFV) thanks to virus-resistant genes. These hybrids are now available in every major glasshouse tomato segment.

Beginning in June and continuing through July, we launched Fox™ Ultra in Brazil and Paraguay as the latest innovation in our Fox™ franchise, which has been a leading disease-management tool for soybean farmers for more than a decade. This exclusive, next-generation fungicide combines three distinct modes of action to deliver superior control of major soybean threats – including Asian soybean rust, target spot and other key diseases – ultimately enhancing crop health and yield.

Also in July, Serenade™ Soil Activ, a soil-optimized member of the Serenade™ biologicals line of products, was successfully registered in multiple EU member states. Formulated to achieve superior colonization of plant roots to enhance crop protection, Serenade™ Soil Activ is also currently pursuing approvals in France, Poland and the Netherlands.

[3] A new plant trait is a specific characteristic that has not yet been available or offered at Bayer for the crop plant in question.

In August, we launched Camalus™, an insecticide that was designed specifically for Indian horticulture farmers and is targeted at premium vegetable markets across key Indian states. Camalus™ has a dual mode of action with broad pest-spectrum control of chewing and sucking pests, addressing a known challenge in horticultural crop cultivation.

In October, we launched Mateno™ More, an innovative herbicide designed to empower wheat farmers in India with superior weed control. Offering a new mode of action compared to currently available solutions on the market, Mateno™ More is specifically engineered for Indian farming conditions, where resistance management is a growing concern, particularly in wheat-growing regions.

Also in October, we announced the registration of our Huskie™ PRE and Velocity™ m3 herbicides in Eastern Canada. The addition of both Huskie™ PRE and Velocity™ m3 to our lineup of cereal herbicides offers Eastern Canadian farmers innovative weed control solutions for their cereal fields.

In November, we announced our first commercial sale of Plenexos™ in Colombia, ahead of the original 2026 launch schedule. The first of Bayer's Ten Blockbusters in Ten Years to launch, Plenexos™ is a cutting-edge ketoenol insecticide that offers long-lasting control of sucking pests for both broad-acre as well as fruit and vegetable applications. Plenexos™ is planned to launch in many more countries by the end of the decade, including key markets like Brazil, Mexico and the United States.

Throughout 2025 we introduced Xivana™, a new foliar fungicide developed for the control of downy mildew in grapes, in Brazil, Colombia, South Korea, Ukraine and Central America. We expect more launches until the end of the decade, including in the United States, India and Europe, for example.

Patents

We routinely apply for patent protection for our innovations in both chemical crop protection and seed/biotechnology. The link between patents and products is relatively complex. Products often combine multiple technologies that are patented differently in different areas of the world, with patents often granted only late in the product life cycle.

Although the patents have already expired for some of our crop protection active ingredients, such as glyphosate, trifloxystrobin, prothioconazole, bixafen[4] or imidacloprid, we have a portfolio of patents on formulations, mixtures and/or manufacturing processes for these active ingredients. In addition, fluopyram was patent-protected in the United States and Brazil until 2025, and we hold additional patents on formulations, mixtures and/or manufacturing processes for this active ingredient as well. Tetraniliprole has patent protection in Germany, France, the United Kingdom, Brazil, Canada and other countries until 2029, and in the United States its patent protection extends until 2030[5]. Isoflucypram is patent-protected in the United States until 2028 and in Brazil, Canada, Germany, France, the United Kingdom and other countries until 2030.[6] With respect to our new active ingredients, spidoxamat is patent-protected in the United States until 2027 and in Brazil, Canada, Germany, France, the United Kingdom and other countries until 2026, and fluoxapiprolin is patent-protected in the United States, Brazil, Canada, Germany, France, the United Kingdom and other countries until 2031.[7]

[4] Bixafen benefited from supplementary protection certificates in some European countries including Germany, France and the United Kingdom and in some CIS countries such as Belarus until 2025, and continues to benefit from supplementary protection certificates in Russia until 2027.
[5] Patent protection does not take into account patent term extensions or supplementary protection certificates.
[6] Patent protection does not take into account patent term extensions or supplementary protection certificates.
[7] Patent protection does not take into account patent term extensions or supplementary protection certificates.

While the patent coverage on our current generation of soybean traits (XtendFlex™ and Intacta 2 Xtend™) runs until at least the end of the decade, the patent coverage on our next-generation Vyconic™ soybean products runs until at least 2043.

In corn seed and traits, most farmers have already upgraded to next-generation branded corn traits. SmartStax™ and SmartStax™ PRO have patent coverage running until at least 2028 and the Preceon™-branded corn products have patent coverage through at least 2042. For cotton seed and traits, Bollgard™ 3 XtendFlex™ has patent coverage until at least the mid-2030s.

Partnerships and collaborations

We partner with innovators from across the world to bring the disruptive new technologies that farmers need to market quickly and efficiently, in collaborations that allow us to leverage our specialized expertise and resources.

In January, we acquired the camelina germplasm and associated intellectual property from Smart Earth Camelina, Canada, to underline our global leadership aspirations in biomass-based feedstock markets. Camelina is an oilseed crop that is characterized by low carbon intensity, can be cultivated as a cover crop and serves as the basis for renewable diesel and sustainable aviation fuel.

In July, we signed a development and distribution agreement with French agricultural pheromones company M2i Group for the exclusive distribution of pheromone gels for Asia/Pacific as well as the Latin America region and the United States, building on the existing successful collaboration and related product launches in Europe and Africa.

In October, Bayer designated Cornfed Farms, a fourth-generation farm operated by the Mohr family, as the first Bayer ForwardFarm site in the United States. This recognition makes Cornfed Farms one of 16 farms around the globe that have been highlighted by Bayer as being committed to advancing regenerative agriculture practices that ensure economic success while at the same time promoting environmental stewardship.

Likewise in October, we announced our continued partnership with the OpenFold Consortium, a leading nonprofit AI research consortium. We shared our intent to apply the consortium's newest model, OpenFold3, to study proteins from plants, weeds and pests, thereby accelerating the development of new crop protection molecules and traits.

Also in October, we extended our multi-year strategic partnership with Ginkgo Bioworks, Inc., United States, to advance research and development of biological products for agriculture. With the extension of this partnership, both parties will collaborate to develop innovative microbial nitrogen fixation solutions. As with the original agreement, we retain the right to commercialize the resulting biological products as a complement to synthetic fertilizers in the coming years.

We are part of a global network of partners from diverse segments of the agricultural industry and work together with numerous public-private bodies, NGOs, universities and other institutions.

The following table provides an overview of important collaborations that are currently ongoing.

A 1.3/2

Crop Science: Important collaborations

Partner	Collaboration objective
AbacusBio Limited	Accelerate Bayer's Global Crop Breeding program by utilizing AbacusBio's expertise in trait prioritization and valuation to advance products that anticipate grower and market needs
AgPlenus Ltd.	The collaboration will tap into the potential of AI to design and optimize crop protection chemistry, developing a broad-spectrum herbicide with a novel sustainable mode of action for farmers
Agriculture and Agrifood Canada (AAFC) within the Diverse Field Crops Cluster	Consortium collaboration to advance camelina genetics via breeding partnerships with researchers at AAFC
BASF SE	Co-funded collaboration agreement to develop transgenic products with increased yield stability in corn
Brazilian Agricultural Research Corporation – Embrapa	R&D cooperation to address specific agricultural challenges in Brazil, e.g., integrated weed management and soil carbon dynamics and measurement methods in tropical environments
2Blades Foundation	Collaboration research program to identify Asian soybean rust resistance genes in legumes and other engineered genes to control this important fungal disease in soybeans
Elemental Enzymes Ag and Turf, LLC	Use of soil microbes to improve plant health and crop efficiency, thereby increasing crop productivity
Ginkgo Bioworks, Inc.	Multi-year strategic collaboration as the anchor partner of Ginkgo's expanded agricultural biologicals platform, focusing on nitrogen fixation
G+FLAS Life Sciences	Research agreement to validate gene-edited tomato with therapeutic levels of vitamin D
Grains Research and Development Corporation (GRDC)	Partnership for the discovery and development of innovative weed management solutions (herbicides)
Kimitec, Sociedad Limitada	Multi-year strategic collaboration to deliver botanical products for agriculture
Microsoft Corp.	Strategic partnership developing a new cloud-based set of business-to-business tools and services for use in agriculture and adjacent industries
National Resources Institute Finland (Luke)	Computational tools integrating genetics and genomics evaluation to improve field crops
Pairwise Plants, LLC	Research alliance to develop genome editing tools and innovations in short-stature corn. License agreement to develop and sell Pairwise's CRISPR-edited leafy greens
Planet Labs	Enhance farmers' engagement with FieldView™ by providing satellite imagery with higher frequency and resolution. The collaboration boosts the accuracy of in-season crop monitoring, enabling more efficient agricultural management
Purdue University	Creation of the Coalition for Sustainable and Regenerative Agriculture, a public-private partnership designed to help improve the soil health of farmland while also increasing food production for a growing population. New consortium to focus on a data-driven, holistic approach to create sustainable and resilient farming practices
RAGT SEMENCES S.A.S.	Exclusive collaboration to develop state-of-the-art hybrid wheat varieties to meet the evolving needs of farmers in Europe
Rantizo, Inc.	Precision aerial pesticide applications via unmanned aerial vehicles while reducing soil compaction. Focusing the application of the right amount to the right plant allows an overall reduction in pesticide applications and carbon emissions compared to traditional sprayers. Understanding technology capabilities and evaluating service quality
UC Davis-Eduardo Blumwald	Identify pathways in cereal crops to enhance biological nitrogen fixation and reduce the need for chemical fertilizers

Pharmaceuticals

Our research and development activities in the Pharmaceuticals Division are focused on indications with a high medical need. Our focus lies on four core areas: Oncology, Cardiovascular, Neurology & Rare Diseases, and Immunology. We are also continuing our existing projects in Ophthalmology and Women's Healthcare. In the context of our cell and gene therapy platform, we develop treatments for indications that are likewise associated with a high medical need and in which cell and gene therapies could offer promising treatment options, regardless of the specific therapeutic area. Examples of this include neurodegenerative disorders, cardiovascular and metabolic diseases, and ophthalmological disorders. Our work in radiology focuses on the development of innovative contrast agents, medical imaging markers, injection systems and the digital networking software for these systems. Approximately 7,000 (2024: 7,300)[8] employees work in our R&D departments at a number of locations around the world, mainly in Germany and the United States.

In our R&D activities, we combine profound knowledge about disease biology with numerous therapy forms and focus on the systematic implementation of digital technologies and the deployment of data sciences to increase the speed, reliability and effectiveness of our R&D processes. Our aim is to employ precision medicine to offer patients effective, individualized solutions that can prevent, diagnose, treat or stop diseases.

With the acquisitions of the biotech firms BlueRock Therapeutics LP, United States, in 2019 and Asklepios BioPharmaceutical Inc. (AskBio), United States, in 2020, and the biopharmaceutical company Vividion Therapeutics, Inc., United States, in 2021, we have expanded our expertise in new modalities to include competencies in the areas of cell therapy (BlueRock) and gene therapy (AskBio) while also strengthening our existing knowledge in the field of precision small-molecule therapeutics (Vividion). As internal partners, these three companies operate largely autonomously but in close cooperation with our R&D experts in the Pharmaceuticals Division. They play a key role in sustainably expanding our research pipeline with novel development candidates. In 2025, the three companies further advanced their development portfolios and established additional expertise in specific areas. Further information can be found in the "Cell and gene therapy," "Chemoproteomics" and "External innovation" sections.

Promising new molecular entities (NMEs) from our early research pipeline are transferred to preclinical development. We define a new molecular entity as an active ingredient that is not yet approved for use in humans. In preclinical development, these substances are examined further in various models to determine their suitability for clinical trials and the associated first-in-human studies.

Clinical trials are an essential tool for determining the efficacy and safety of new drugs before they can be used to diagnose or treat diseases. The benefits and risks of new medicinal products must always be scientifically proven and well documented. All our clinical trials comply with strict international guidelines and quality standards, as well as the respective applicable national laws and standards.

Information about our own clinical trials can be found in the publicly accessible register www.ClinicalTrials.gov and our own Trial Finder database. Further information on our globally uniform standards, the monitoring of studies and the role of the ethics committees can be found on our website.

[8] Including permanent and temporary employees

Cell and gene therapy

The addition of cell and gene therapies to our drug development portfolio has given us new, potentially transformative treatment approaches that could intervene in disease mechanisms and ultimately stop or reverse them at some point in the future.

Ensuring scientific breakthroughs in cell and gene therapy translate into available treatments on a global scale requires a strong commitment across the whole value chain. We therefore invest in know-how and infrastructure at every step of the process, from early research and development through to advanced production.

Our development portfolio comprises seven projects in various stages of clinical development that cover several therapeutic areas with a high unmet medical need, with innovative programs in areas such as Parkinson's disease, rare diseases, ophthalmology and congestive heart failure.

A 1.3/3

Cell and gene therapy projects in clinical development

Project	Indication (modality, clinical phase)
AB-1005 (formerly AAV2_GDNF_PD)[1]	Parkinson's disease (gene therapy, Phase II)
AB-1009[2]	Pompe disease (gene therapy, Phase I/II)
AB-1002 (formerly NAN-101)[3]	Congestive heart failure (gene therapy, Phase II)
AB-1005 (formerly AAV2_GDNF_MSA)[4]	Multiple system atrophy (gene therapy, Phase I)
Bemdaneprocel (BRT-DA01)[5]	Parkinson's disease (cell therapy, Phase III)
LION-101[6]	Limb-girdle muscular dystrophy type 2I/R9 (gene therapy, Phase I/II)
OpCT-001[7]	Primary photoreceptor diseases (cell therapy, Phase I/IIa)

As of January 30, 2026
[1] Registration number NCT06285643, enrollment started
[2] Registration number NCT07282847, enrollment started
[3] Registration number NCT05598333, enrollment started
[4] Registration number NCT04680065, enrollment started
[5] Registration number NCT04802733, enrollment concluded
[6] Registration number NCT05230459, enrollment started
[7] Registration number NCT06789445, enrollment started

The following material developments occurred in 2025 and early 2026:

// In February, we announced together with AskBio that **AB-1005**, AskBio's investigational gene therapy for the treatment of Parkinson's disease, had been granted Regenerative Medicine Advanced Therapy designation by the US Food and Drug Administration (FDA). Over the course of 2025, initial patients were treated in the Phase II trial for this gene therapy candidate in the United States and Europe.
// Also in February, we announced together with BlueRock that **OpCT-001**, BlueRock's development candidate for the treatment of primary photoreceptor diseases, had been granted Fast Track designation by the FDA.
// In July, we announced together with BlueRock that the first patient had received treatment in the Phase I/IIa CLARICO clinical trial. CLARICO is investigating **OpCT-001**, the first cell therapy candidate based on induced pluripotent stem cells (iPSC), which is undergoing clinical development for the treatment of primary photoreceptor diseases.
// In September, we announced the first randomized treatment of a participant in the pivotal Phase III study for **bemdaneprocel**.
// In December, **AB-1002** for the treatment of non-ischemic cardiomyopathy and New York Heart Association (NYHA) Class III heart failure symptoms, **AB-1005** for the treatment of Parkinson's disease, and **bemdaneprocel** were granted Pioneering Regenerative Medical Product status (SAKIGAKE) by the Japanese Ministry of Health, Labour and Welfare (MHLW).
// In January 2026, AskBio announced that the FDA had accepted its Investigational New Drug (IND) application for its **AB-1009** gene therapy for the treatment of late-onset Pompe disease (LOPD). The **ACTUS-101** clinical trial will remain active but no longer recruit further patients. The trial will be completed with the patients currently enrolled.
// Also in January 2026, we announced that **OpCT-001** had received Orphan Drug Designation from the FDA.

Chemoproteomics

The chemoproteomics platform technology of our subsidiary Vividion enables us to unlock a large number of traditionally unaddressable oncological targets with the aid of precision cancer therapeutics. Paired with our Pharmaceuticals Division's expertise in the research and development of small-molecule active substances, we are developing novel active ingredients for the treatment of cancer indications with a high medical need. Our aim is to open up new therapeutic options for patients and further expand our oncology research pipeline. In December 2024, Vividion acquired the US company Tavros Therapeutics, Inc. Tavros' proprietary methods for genomic screening can identify new target opportunities and support discovery and translational efforts toward known targets. Combining the Tavros platform with Vividion's chemoproteomics expertise and capabilities continues to greatly enhance Vividion's efforts to generate potential best- and first-in-class drug targets across oncology and immunology.

A 1.3/4

Chemoproteomics projects in clinical development

Project	Indication (modality, clinical phase)
VVD KEAP1 activator[1]	Advanced solid tumors (small molecule, Phase I)
VVD RAS-PI3Kα inhibitor[2]	RAS-driven cancers (small molecule, Phase I)
VVD WRN inhibitor[3]	Solid tumors that display high microsatellite instability (small molecule, Phase I)

As of January 30, 2026
[1] Registration number NCT05954312, enrollment started
[2] Registration number NCT06804824, enrollment started
[3] Registration number NCT06004245, enrollment started

The following material developments occurred in 2025:

// In March, Vividion started a Phase I study of VVD-159642, an investigational oral RAS-PI3Kα inhibitor for the treatment of RAS-driven cancers. Stemming from Vividion's chemoproteomics discovery platform, the clinical-stage program is designed to improve patient outcomes by inhibiting the activation of RAS-PI3Kα by RAS, a key signaling pathway implicated in solid tumor development and progression.
// In June, Vividion strengthened and complemented its innovative oncology development pipeline by securing exclusive global rights to develop and commercialize the first clinical-stage covalent inhibitor of Werner helicase (WRN) in international development. By inhibiting WRN, the candidate aims to cause lethal DNA damage in cancers with high microsatellite instability while minimizing harm to healthy cells.

Phase II and III clinical testing projects

The following table shows our most important development candidates currently in Phase II of clinical testing:

A 1.3/5

Research and development projects (Phase II)

Project	Indication
Inclocibart (anti-alpha2 antiplasmin)	Thrombolysis
Nurandociguat (sGC activator)	Chronic kidney disease
Sema3A monoclonal antibody	Alport syndrome
Sevabertinib (HER2/mutEGFR inhibitor)	Metastatic or unresectable solid tumors with HER2-activating mutations

As of January 30, 2026

The following table shows our most important development projects currently in Phase III of clinical testing:

A 1.3/6

Research and development projects (Phase III)

Project	Indication
Asundexian (FXIa inhibitor)	Secondary prevention of ischemic stroke
Darolutamide (ODM-201, AR antagonist)/ADT without chemotherapy	Adjuvant treatment for localized prostate cancer with very high risk of recurrence
Darolutamide (ODM-201, AR antagonist)/ADT	Hormone-sensitive prostate cancer in patients with a high risk of biochemical recurrence (BCR)
124I-evuzamitide (positron emission tomography tracer)	Diagnosis of cardiac amyloidosis
Finerenone (MR antagonist)	Non-diabetic chronic kidney disease
Finerenone (MR antagonist)	Chronic kidney disease in type 1 diabetes
Mirena™ (levonorgestrel-release intrauterine system)	Nonatypical endometrial hyperplasia
Sevabertinib (HER2/mutEGFR inhibitor)	First-line therapy for the treatment of advanced non-small-cell lung cancer with HER2-activating mutations
Vericiguat (sGC stimulator)[1]	Stable heart failure with reduced ejection fraction (HFrEF)

As of January 30, 2026

[1] In collaboration with Merck & Co., Inc., United States

The nature of drug discovery and development is such that not all compounds can be expected to meet the predefined project goals. It is possible that any or all of the projects listed above may have to be discontinued due to scientific and/or commercial reasons and will not result in commercialized products. It is also possible that the requisite US Food and Drug Administration (FDA), European Medicines Agency (EMA) or other regulatory approvals will not be granted for these compounds. Moreover, we regularly review our research and development pipeline so that we can give priority to advancing the most promising pharmaceutical projects.

The following material developments occurred in 2025 and early 2026:

Asundexian

// In November, we reported positive topline results from the global Phase III OCEANIC-STROKE study with our investigational once-daily, oral FXIa inhibitor asundexian. The study met its primary efficacy and safety endpoints. Asundexian 50 mg once daily significantly reduced the risk of ischemic stroke compared to placebo, both in combination with antiplatelet therapy, in patients after a non-cardioembolic ischemic stroke or high-risk transient ischemic attack (TIA). There was no increase in the risk of major bleeding in patients treated with asundexian compared to placebo, both in combination with antiplatelet therapy, according to the criteria of the International Society on Thrombosis and Haemostasis (ISTH).

// At the International Stroke Conference (ISC) in February 2026, we presented detailed results of the OCEANIC-STROKE study. Asundexian significantly reduced ischemic stroke by 26% in patients after a non-cardioembolic ischemic stroke or high-risk TIA, with no increase in the risk of ISTH major bleeding compared to placebo.

Elinzanetant

// At the Annual Meeting of the American Society of Clinical Oncology (ASCO) in early June, we presented detailed results from OASIS 4, which we simultaneously published in the New England Journal of Medicine (NEJM). OASIS 4 is the first pivotal international Phase III trial of its kind to assess the safety and efficacy of elinzanetant for the treatment of moderate to severe vasomotor symptoms (VMS, also known as hot flashes) caused by adjuvant endocrine therapy for the treatment or prevention of hormone receptor-positive breast cancer. Elinzanetant demonstrated a statistically significant reduction in the frequency of moderate to severe VMS compared to placebo in women receiving endocrine therapy for the treatment or prevention of hormone receptor-positive breast cancer. Key secondary endpoints showed statistically significant improvements in sleep disturbances and menopause-related quality of life. Additional secondary endpoints showed a reduction in VMS frequency at week 1 and improvements in VMS severity.

// At the World Sleep Congress 2025 in September, we presented the first results from the exploratory Phase II NIRVANA study investigating elinzanetant in women having sleep disturbances associated with menopause: reduction of wakefulness after sleep onset (WASO) assessed by polysomnography, consistency of efficacy across different objective and subjective metrics, and effect on sleep continuity and sleep patterns.

Finerenone

// In June, we presented the findings of the Phase II CONFIDENCE study at the European Renal Association (ERA) Congress and simultaneously published them in the New England Journal of Medicine. The results show that simultaneous initiation of treatment with finerenone (Kerendia™) and the SGLT-2 inhibitor (SGLT-2i) empagliflozin led to a significantly greater reduction in the urine albumin-to-creatinine ratio (UACR) in adults with chronic kidney disease (CKD) associated with type 2 diabetes (T2D) than with either treatment alone.

// In November, we presented positive results from the Phase III FINE-ONE trial with finerenone at the American Society of Nephrology (ASN) Kidney Week 2025. Finerenone is the first drug product in 30 years to deliver positive results in a Phase III trial addressing the high risk of kidney disease progression and cardiovascular events in patients with chronic kidney disease (CKD) associated with type 1 diabetes (T1D). The results showed that treatment with finerenone significantly reduced the urine albumin-to-creatinine ratio (UACR) from baseline over six months by 25% compared to placebo. UACR reduction is beneficial because it correlates with a lower risk of cardiac and renal damage in patients with type 1 and type 2 diabetes.

Gadoquatrane

// In February, we presented positive results from the Phase III QUANTI CNS study for the first time at the European Congress of Radiology (ECR). This trial evaluated the efficacy and safety of the gadolinium-based contrast agent gadoquatrane in adults with known or suspected pathologies of the central nervous system undergoing contrast-enhanced magnetic resonance imaging (MRI).

// In December, we announced the results of the QUANTI Pediatric study. The study met its primary and secondary endpoints assessing the pharmacokinetic and safety profile of gadoquatrane in pediatric patients, and confirmed the safety and efficacy of gadoquatrane. QUANTI CNS and QUANTI Pediatric are part of Bayer's pivotal Phase III program for gadoquatrane. In all studies, gadoquatrane was investigated at a gadolinium (Gd) dose of 0.04 mmol Gd/kg body weight, which represents a gadolinium dose reduction of 60% compared to the standard macrocyclic gadolinium-based contrast agents dosed at 0.1 mmol Gd/kg body weight.

Vericiguat

// In late August, we published the results from the Phase III VICTOR clinical trial with vericiguat (Verquvo™) in patients with chronic heart failure with reduced ejection fraction (HFrEF) without a recent heart failure event. Vericiguat when added to guideline-directed medical therapy (GDMT) did not reduce the risk of the primary composite endpoint of heart failure hospitalization or cardiovascular death compared to placebo plus GDMT. Secondary endpoints indicated fewer events of cardiovascular death and all-cause mortality in the vericiguat group compared to placebo on top of GDMT.

Filings and approvals

The most important development candidates currently in the approval process are:

A 1.3/7

Main products submitted for approval

Project	Region	Indication
Aflibercept 8 mg (VEGF inhibitor)[1]	Japan, China	Macular edema following retinal vein occlusion (RVO)
Darolutamide (ODM-201, AR antagonist)	China	Metastatic hormone-sensitive prostate cancer
Finerenone (MR antagonist)	China, EU	Heart failure with mid-range or preserved ejection fraction
Gadoquatrane (MRI contrast agent)	Japan, USA, EU, China	Magnetic resonance imaging
Sevabertinib (HER2-mut NSCLC)	China, Japan	Advanced HER2-mutant non-small-cell lung cancer (NSCLC)

As of January 30, 2026

[1] In collaboration with Regeneron Pharmaceuticals, Inc., United States

The following material developments occurred in 2025 and early 2026:

Aflibercept

// We submitted an application in April to the European Medicines Agency (EMA) and in May to the Japanese Ministry of Health, Labour and Welfare (MHLW) seeking approval of aflibercept 8 mg (Eylea™ 8 mg) for the treatment of patients with macular edema following retinal vein occlusion (RVO) including central, branch and hemiretinal vein occlusion.
// In May, the Center for Drug Evaluation (CDE) of China's National Medical Products Administration (NMPA) approved Eylea™ 8 mg for the treatment of neovascular (wet) age-related macular degeneration (nAMD).
// In June, the European Commission granted a label extension for Eylea™ 8 mg (aflibercept 8 mg, 114.3 mg/ml solution for injection) with extended treatment intervals of up to six months for the treatment of neovascular (wet) age-related macular degeneration (nAMD) and diabetic macular edema (DME).
// In December, the Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMA) recommended aflibercept 8 mg (114.3 mg/ml solution for injection) for marketing authorization in the European Union for the treatment of patients with visual impairment due to macular edema following retinal vein occlusion (RVO) including branch, central and hemiretinal vein occlusion.
// In January 2026, the European Commission granted regulatory approval for Eylea™ 8 mg in the European Union for the treatment of macular edema following retinal vein occlusion (RVO) including branch, central and hemiretinal vein occlusion.

Darolutamide

// In June, the US FDA granted regulatory approval for Nubeqa™ (darolutamide) for the treatment of patients with hormone-sensitive prostate cancer (mHSPC). The approval was based on positive results from the pivotal Phase III ARANOTE trial, which investigated darolutamide in combination with androgen deprivation therapy (ADT) versus placebo plus ADT.
// In July, the European Commission likewise granted marketing authorization for Nubeqa™ in combination with ADT for the treatment of patients with metastatic hormone-sensitive prostate cancer (mHSPC).
// In February 2026, the Chinese National Medical Products Administration (NMPA) approved Nubeqa™ in combination with ADT for use in patients with metastatic hormone-sensitive prostate cancer (mHSPC).

Elinzanetant

// In July, we were granted the first approval worldwide for Lynkuet™ (elinzanetant) in the United Kingdom for the treatment of moderate to severe vasomotor symptoms (VMS, also known as hot flashes) associated with menopause. This was followed by further approvals in Australia, Canada and Switzerland.
// In October, the US FDA approved elinzanetant under the brand name Lynkuet™ as the first dual neurokinin-targeted therapy (NK1 and NK3 receptor antagonist) for the treatment of moderate to severe VMS due to menopause. The FDA approval was primarily supported by data from three Phase III clinical trials (OASIS 1, OASIS 2 and OASIS 3) that evaluated the safety and efficacy of elinzanetant for the treatment of moderate to severe VMS due to menopause.
// In November, the European Commission granted marketing authorization in the European Union for elinzanetant under the brand name Lynkuet™. The compound is approved as the only hormone-free treatment for moderate to severe VMS associated with menopause or caused by adjuvant endocrine therapy (AET) related to breast cancer.

Finerenone

// In March, the US FDA accepted the supplemental New Drug Application (sNDA) and granted Priority Review designation for finerenone (Kerendia™) for the treatment of adult patients with heart failure (HF) with a left ventricular ejection fraction (LVEF) of ≥40%.
// In July, the US FDA granted regulatory approval for finerenone (Kerendia™) to reduce the risk of cardiovascular death and hospitalization or emergency treatment due to heart failure in adult patients with heart failure and a LVEF of ≥40%.
// In December, we announced that the Japanese Ministry of Health, Labour and Welfare (MHLW) had granted approval for Kerendia™ for the treatment of adult patients with chronic heart failure (HF) with a LVEF of ≥40%, i.e. mildly reduced LVEF (HFmrEF) or preserved LVEF (HFpEF).
// In January 2026, the Committee for Medicinal Products for Human Use of the European Medicines Agency recommended that finerenone be granted regulatory approval for the treatment of adults with heart failure and a LVEF of ≥40%.

Gadoquatrane

// In May, we submitted the first marketing authorization application for gadoquatrane in Japan. This was followed by further submissions in the United States in June, the European Union in July and China in August. Gadoquatrane is being developed for use in contrast-enhanced magnetic resonance imaging (MRI) of the central nervous system and other body regions in adults and pediatric patients including term neonates. The submitted dose of 0.04 mmol gadolinium (Gd) per kilogram body weight represents a gadolinium dose reduction of 60% compared to the standard of care macrocyclic contrast agents dosed at 0.1 mmol Gd/kg body weight. If approved, gadoquatrane would become the lowest dose macrocyclic gadolinium-based contrast agent available in these markets.

Sevabertinib (HER2-mut NSCLC)

// In May, the US FDA granted priority review status to our regulatory application for sevabertinib. The submission is based on positive results from the ongoing Phase I/II SOHO-01 study investigating sevabertinib in the treatment of adult patients with advanced non-small cell lung cancer (NSCLC) whose tumors have activating human epidermal growth factor receptor 2 (HER2/ERBB2) mutations and who have received a prior systemic therapy.
// In July, the Center for Drug Evaluation (CDE) of China's National Medical Products Administration (NMPA) granted priority review status to our New Drug Application (NDA) for sevabertinib. The NDA is for the treatment of adult patients with advanced non-small cell lung cancer (NSCLC) whose tumors have activating human epidermal growth factor receptor 2 (HER2/ERBB2) mutations and who have received a prior systemic therapy.
// In November, the US FDA granted regulatory approval for Hyrnuo™ (sevabertinib) for the treatment of patients with advanced HER2-mutant non-small cell lung cancer (NSCLC) who have received a prior systemic therapy.

Patents

The following table shows the expiration dates for our most significant Pharmaceuticals patents:

A 1.3/8

Pharmaceuticals patent expiration dates

Products	Market										
	Germany	**France**	**Italy**	**Switzer-land**	**Spain**	**UK**	**China**	**Japan**	**Brazil**	**Canada**	**USA**
Adempas™											
Active ingredient	2028	2028	2028	2028	2028	2028	2023	2027–2028[d]	2023	2023	2026
Beyonttra™											
Active ingredient	2033[a]	2033[a]	2038[e]	2033[f]	2033[a]	2033[a]	–	2033[i]	–	–	2033[i]
Eylea™											
Active ingredient	2025[h]	2025	2025[h]	2025	2025[h]	2025[h]	–	2021–2025[d]	–	–	–
Hyrnuo™											
Active ingredient	2040[b]	2040[b]	2040[b]	2040[b]	2040[b]	2040[b]	2040[a]	2040[a]	2040[a]	2040[b]	2040[b]
Jivi™											
Active ingredient	2031[h]	2031	2031	2030[g]	2031	2031	2025	2027	2025	2027	2030[e]
Kerendia™											
Active ingredient	2033	2033	2033	2033	2033	2033	2028[a]	2033	2028	2028	2033[e]
Lynkuet™											
Use	2036[f]	2036[f]	2036[f]	2040[e]	2036[f]	2036[a]	2036[b]	2036	2036	2036[b]	2036[a]
Nexavar™											
Active ingredient	–	–	–	–	–	–	–	2021–2025[d]	–	–	–
Nubeqa™											
Active ingredient	2035	2035	2035	2035	2035	2035	2030	2035	2030	2032	2033
Stivarga™											
Active ingredient	2028	2028	2028	2028	2028	2028	–	2026[d]	–	–	2031
Verquvo™											
Active ingredient	2036	2036	2036	2036	2036	2036	2031[a]	2036	2031[b]	2033	2031[a]
Vitrakvi™											
Active ingredient	2034	2034	2034	2035	2034	2034	2029[a]	2034	2029	2031	2029[a]
Xarelto™											
Active ingredient	–	–	–	–	–	–	–	2022–2025[d]	–	–	2025

[a] Current expiration date; patent term extension applied for
[b] Patent application pending
[c] Patent term revised (not applicable in 2025)
[d] Application-specific patent term extension(s)
[e] Patent term extension granted in 2025
[f] Current expiration date; patent term extension will be applied for punctually
[g] Pediatric SPC extension applied for
[h] Pediatric SPC extension granted in 2025
[i] Product not marketed by Bayer in this country

In addition to the information in the table, it should be noted that in Europe our Xarelto™ 10, 15 and 20 mg tablets were protected by a patent granted by the European Patent Office for once-daily dosing until January 2026. This patent had been successfully defended at European level but was being attacked again at the national level in most European countries. We believe in the validity of our patent and will continue to vigorously defend it.[9] We also take and pursue vigorous action against infringement of this patent, which commenced in the majority of European countries after the April 2024 expiration of the patent protection for the active ingredient of Xarelto™. Such infringements include attempts to circumvent the patent by using oral dosage forms other than tablets.

[9] With the exception of the United Kingdom, Switzerland, Norway and Sweden, where our patent was found to be invalid, none of the legal proceedings have been finally decided in any other country.

In the United States, our Xarelto™ 10, 15 and 20 mg tablets are also protected by a patent for once-daily dosing beyond 2025. There have already been patent law disputes that have been resolved through settlements, including with Unichem, Inc. and Unichem Pharmaceuticals (USA), Inc. (collectively "Unichem"). According to the settlement, Unichem will be licensed under the relevant patents to market a generic version of Xarelto™ 10, 15 and 20 mg tablets from 2027 or earlier in certain circumstances, which we do not expect at this time. In the United States, there is a risk of attempts to circumvent and attacks on this patent by previously uninvolved competitors.

In addition to the information in the table, it should also be noted that the formulation of Eylea™ is protected in Europe by a patent granted by the European Patent Office until June 2027.[10] This patent is being attacked at the national level in several European countries. We believe in the validity of the patent and are vigorously defending it.[11] We also take vigorous action[12] against any activities that we believe infringe this patent, which commenced in several European countries after the November 2025 expiration of patent protection for the active ingredient of Eylea™.

External innovation

We achieved further progress in the area of external innovation in 2025 and early 2026:

- In February, the European Commission granted marketing authorization in the European Union for acoramidis (brand name: Beyonttra™) for the treatment of wild-type or variant transthyretin amyloidosis in adult patients with cardiomyopathy (ATTR-CM). BridgeBio holds the marketing rights for acoramidis in the United States, while Bayer holds exclusive marketing rights for the product in Europe.
- As a result of the global license agreement with Puhe BioPharma, we initiated a Phase I first-in-human dose escalation study in March investigating an MTA-cooperative PRMT5 inhibitor (BAY 3713372) that selectively targets MTAP-deleted tumors. PRMT5 (protein arginine methyltransferase 5) and a specific gene called MTAP (metabolic enzyme 5'-deoxy-5'-methylthioadenosine phosphorylase) play important roles in cell metabolism and are critical for cell survival.
- Derived from the strategic research alliance with the Broad Institute of MIT and Harvard, we initiated a Phase I clinical trial in May with BAY 3670549, an investigational, highly selective G-protein-coupled inwardly rectifying potassium channel 4 (GIRK4) inhibitor, which has the potential to help control the electrical activity of heart cells in patients with atrial fibrillation (AFib).
- In September, as part of our exclusive global licensing agreement with Kumquat Biosciences Inc. and the associated collaboration in the field of precision oncology, we initiated a Phase I clinical trial with the investigational substance KQB548 (BAY 3771249), an experimental KRAS inhibitor which is being developed for the treatment of KRAS-G12D-mutated tumors, such as pancreatic, colorectal and lung cancer.
- Likewise in September, we launched Bayer Co.Lab AdVenture, a new platform for the Bayer Co.Lab global life sciences incubator network, which connects start-up tenants with leading venture capital firms.
- Also in September, construction began for the Berlin Center for Gene and Cell Therapies in cooperation with Charité – Universitätsmedizin Berlin. Since the project's launch in June 2024, Charité and Bayer have welcomed the Berlin Institute of Health (BIH) as an additional partner. The center receives significant funding from the Federal Ministry of Education and Research as well as the State of Berlin. By focusing on the "translation" of medicine, the Berlin Center for Gene and Cell Therapies aims to accelerate the rate at which groundbreaking technologies are translated from basic research into treatment options.
- In January 2026, we announced the strategic acquisition of two developmental radiotracers for the diagnosis of cardiac amyloidosis: AT-01, a tracer for positron emission tomography (PET), currently in Phase III of clinical development, and AT-05, a tracer for single photon emission computer tomography (SPECT), currently in Phase I. This step marks Bayer's entry into diagnostic tracers and underlines our commitment to expanding in the field of molecular imaging and strengthening our position in precision cardiology with the aim of broadening diagnostic options and improving treatment outcomes for patients.

[10] Patent held by Regeneron Pharmaceuticals, Inc., USA
[11] In collaboration with Regeneron Pharmaceuticals, Inc., USA
[12] In collaboration with Regeneron Pharmaceuticals, Inc., USA

The following table provides an overview of additional significant partnerships and collaborations that were ongoing or newly formed in 2025 and early 2026:

A 1.3/9

Main collaboration and licensing partners

Partner	Collaboration objective
Belief BioMed, Inc.	Collaboration with AskBio in the field of new gene therapies
Bicycle Therapeutics plc	Strategic collaboration to develop new targeted radionuclide therapies in oncology
Bit Bio, Ltd.	Collaboration and option agreement for BlueRock for the discovery and manufacture of regulatory T cell-based therapies
Broad Institute	Strategic partnership to research and develop new therapeutic options in the fields of cardiovascular medicine and oncology, and establishment and operation of a joint cardiology research laboratory
Cradle	Strategic collaboration to strengthen AI-powered research and optimization of antibodies
CrossBay Medical, Inc.	Development and option-to-license agreement that allows single-handed inserter to be developed and combined with our portfolio of hormonal intrauterine systems
Dewpoint Therapeutics, Inc.	Option, research and license agreement for the development of new treatments for cardiovascular and gynecological diseases, with the partnership leveraging Dewpoint's proprietary platform for biomolecular condensates and Bayer's compound library
Editas Medicine, Inc.	License agreement to use Editas' CRISPR genome editing technologies in support of BlueRock's portfolio in neurology, cardiology and immunology
Foundation Medicine, Inc.	Collaboration for the development and global commercialization of therapy-accompanying diagnostic tests, also known as companion diagnostics (CDx), based on next-generation sequencing for new cancer drugs developed by Bayer
Fujifilm Cellular Dynamics, Inc. & Opsis Therapeutics, LLC	Collaboration and option agreement for BlueRock focused on discovering and developing iPSC therapies for the treatment of ocular diseases, including inherited retinal disorders and dry AMD
Gates Foundation	Grant agreement to advance innovations in the field of non-hormonal contraception
Janssen Research & Development, LLC of Johnson & Johnson	Development and marketing of Xarelto™ (rivaroxaban) for the treatment of coagulation disorders
Kumquat Biosciences, Inc.	Exclusive global license and collaboration to develop and commercialize Kumquat's KRAS G12D inhibitor
Merck & Co., Inc.	Development and marketing collaboration in the field of soluble guanylate cyclase (sGC) modulation
MOMA Therapeutics, Inc.	Collaboration and licensing agreement for the development and marketing of a small molecule program in precision oncology
Orion Corporation	Development and marketing of darolutamide (previously ODM-201) for the treatment of patients with prostate cancer
Peking University	Research collaboration and establishment of a research center for joint projects
ReCode Therapeutics, Inc.	Strategic research collaboration for AskBio to jointly develop a single vector gene editing platform for novel precision genetic medicines
Recursion Pharmaceuticals, Inc.	Strategic partnership to conduct research into new cancer treatments
Regeneron Pharmaceuticals, Inc.	Cooperation and license agreement and joint development and marketing (outside the United States) of Eylea™ 2 mg and Eylea™ 8 mg
Soufflé Therapeutics™	Strategic collaboration and global licensing agreement to develop a cell-specific heart-targeted siRNA therapy
Suzhou Puhe BioPharma Co., Ltd.	Exclusive worldwide license agreement for MTA-cooperative PRMT5 inhibitor for selective targeting of MTAP-deleted tumors
Thermo Fisher Scientific, Inc.	Collaboration for the development and global commercialization of therapy-accompanying diagnostic tests, also known as companion diagnostics (CDx), based on next-generation sequencing for new cancer drugs developed by Bayer
Tsinghua University	Research collaboration and establishment of a research center for joint projects
Vanderbilt University Medical Center	Strategic research alliance to identify and develop new potential active ingredients for the treatment of cardiovascular and kidney diseases

Consumer Health

At Consumer Health, we concentrate on developing new nonprescription (OTC) products and solutions that improve consumer health and well-being. We maintain a global network of research and development facilities, with major sites in the United States, France, Germany and Spain at which approximately 730 employees (2024: 770 employees)[13] work. We are active in the areas of pain, cardiovascular risk prevention, dermatology, nutritional supplements, digestive health, and allergy, cough and cold.

Our focus lies on product developments that are insight-driven and aligned to the unmet health needs of consumers. Our innovations range from new product development, improved formulations, digital tools, devices and packaging to new claims and consumer health education tools. In addition, we developed around 30 new consumer-validated product innovations in 2025. We are strengthening Consumer Health's innovation pipeline with around 110 active projects that we are developing across all our categories. These include core and adjacent innovations as well as transformational innovations that could significantly advance self-care products for consumers worldwide.[14]

Another part of our innovation strategy is transitioning current prescription medicines that are suitable for self-care to over-the-counter status (Rx-to-OTC switches). We also introduced a number of product line extensions for existing brands in various countries in 2025.

In Europe/Middle East/Africa, we expanded our family of Canesten™ intimate health products in the United Kingdom with the milestone launch of the CanesMeno™ Educational Hub and the new CanesMeno™ product range, offering essential support to the approximately 13 million women in the United Kingdom who are currently navigating perimenopause or menopause. 2025 also saw the launch of Cara Care™ in Germany, the first digital therapeutic for irritable bowel syndrome. In the Dermatology category, we built on our strong market performance with the launch of our new Priorin™ gummies in Germany, Greece, Cyprus, Sweden, Norway and Finland.

Following the 2024 launch of Iberoflora™ Kids in Latin America – our first probiotic product in the region – we added to our portfolio with Iberoflora™ Adults in Mexico in 2025. It combines three probiotic strains in one capsule. With growing consumer interest in phytomedicines and biotics, we opened a new rapid prototyping lab at our facility in Darmstadt, Germany. This site, already a global leader in the space from the development of Iberogast™, will support innovations across regions and categories.

In China, we launched Bepanthen™ Nappy Rash Ointment, which has a tailored formulation to meet the specific needs of our Chinese customers. This product is available through both online and offline channels. Talcid™ continued its growth in China with a new launch in the digestive health segment. In India, our Supradyn™ product range grew with the addition of Supradyn™ Naturals Ginseng for Men to meet the rising demand for natural ingredients, and with the launches of Supradyn™ Mom's and Supradyn™ Naturals Calcium+, a first-of-its-kind prenatal nutritional range to address critical nutrient gaps in maternal health.

In the United States, the MiraLAX™ line-up grew with the launch of MiraFAST™, a new formulation in a soft-chew format that takes effect within 30 minutes. We also launched Afrin™ Saline Daily Care Nasal Mist, which answers the growing demand from consumers for a gentle, non-medicated solution for congestion. Furthermore, One A Day™ launched the Kids Multi Gummies line in a variety of flavors and free from artificial sweeteners and high-fructose corn syrup.

[13] Including permanent and temporary employees

[14] Core innovation means optimizing existing products for existing customers. Adjacent innovation refers to the extension of existing brands to new market segments, i.e. new products and assets are added. Transformational innovation refers to achieving breakthroughs and creating new markets that do not yet exist.

2. Report on Economic Position

2.1 Overview of Business Performance

2.1.1 Economic Position and Target Attainment

Bayer achieved its upgraded operational targets for 2025 and also continued to make tangible progress in delivering on its strategic priorities. At the Group level, we posted modest topline growth, with sales rising 1.1% on a currency- and portfolio-adjusted basis (Fx & portfolio adj.). EBITDA before special items declined by 4.5%, while the EBITDA margin before special items came in at 21.2% and was therefore down 0.5 percentage points against the previous year. This was largely due to the decline in earnings at Pharmaceuticals and Crop Science. At Crop Science, sales rose by 1.1% (Fx & portfolio adj.), while EBITDA before special items declined by 3.2%. Pharmaceuticals increased sales by 1.7% (Fx & portfolio adj.) but saw EBITDA before special items fall by 4.2%. Sales at Consumer Health were level year on year (Fx & portfolio adj. –0.1%), while EBITDA before special items decreased by 1.8%. Group earnings per share (total) came in at minus €3.68 in 2025, and were mainly weighed down by litigation-related expenses. Core earnings per share fell by 2.8% to €4.91. Our operational business was impacted by substantial currency headwinds overall. In addition, free cash flow came in at €2.1 billion, and was therefore below the prior-year level. By contrast, we reduced net financial debt to €29.8 billion.

In the Group outlook published in our 2024 Annual Report, we anticipated sales of €45 to €47 billion based on the closing rates on December 31, 2024, corresponding to a change of between –3% and +1% on a currency- and portfolio-adjusted basis. EBITDA before special items was forecast to come in at €9.3 to €9.8 billion, and core earnings per share at €4.25 to €4.75. Free cash flow was projected to amount to between €1.3 and €2.3 billion, while net financial debt was expected to come in at between €31.2 and €32.2 billion.

Following a slight adjustment in May due to currency developments, the Group forecast was updated in August to reflect the strong performance of our Pharmaceuticals business and significant currency effects. As part of this updated guidance, which was based on the closing rates on June 30, 2025, we projected sales of €44 to €46 billion, corresponding to a change of between –1% and +3% on a currency- and portfolio-adjusted basis. EBITDA before special items was forecast to come in at €9.2 to €9.7 billion, and core earnings per share at €4.45 to €4.95. The forecast for free cash flow was left unchanged, at €1.3 to €2.3 billion, while the net financial debt guidance was revised to €29.8 to €30.8 billion.

Our full-year performance was in line with this upgraded Group guidance, with attainment for most metrics coming in at the positive end of the respective corridors. While currency- and portfolio-adjusted sales growth was at the midpoint of the target corridor, EBITDA before special items, core earnings per share and free cash flow were all at the upper end of the projected ranges. We also succeeded in further reducing our net financial debt, which came in at the lower end of the expected range.

Target attainment in 2025

A 2.1.1/1

Target attainment

Target	Original 2025 outlook[1]	Revised 2025 outlook[2]	2025 figures
Group sales	€45 to €47 billion Fx & p adj.: –3 to +1%	€44 to €46 billion Fx & p adj.: –1 to +3%	€45.6 billion Fx & p adj.: +1.1%
EBITDA before special items[3]	€9.3 to €9.8 billion	€9.2 to €9.7 billion	€9.7 billion
Core earnings per share[3]	€4.25 to €4.75	€4.45 to €4.95	€4.91
Free cash flow[3]	€1.3 to €2.3 billion	€1.3 to €2.3 billion	€2.1 billion
Net financial debt[3]	€31.2 to €32.2 billion	€29.8 to €30.8 billion	€29.8 billion

Fx & p adj. = currency- and portfolio-adjusted
[1] Published in March 2025
[2] Published in August 2025
[3] For definition see A 2.3 “Alternative Performance Measures Used by the Bayer Group.”

2.1.2 Key Events

Glyphosate litigations

In February 2026, Monsanto announced a proposed US nationwide class settlement designed to resolve current and future Roundup™ (active ingredient glyphosate) claims alleging non-Hodgkin lymphoma (NHL) injuries through a long-term claims program. Leading plaintiff law firms representing the class have filed a motion seeking preliminary approval of the settlement in the Circuit Court of the City of St. Louis, Missouri.

The US Supreme Court had previously announced in January 2026 that it would accept the Durnell case for review in the glyphosate litigations. Monsanto had petitioned the court in April 2025 to hear this case and address the contradictory judgments by federal appellate courts on the cross-cutting question of whether federal law preempts state-based failure-to-warn claims. The company expects a decision on the merits during the Supreme Court's 2026 session, which ends in June.

The proposed class combined with Supreme Court review in the Durnell case are independently necessary and mutually reinforcing steps in the company's multi-pronged strategy designed to significantly contain the glyphosate litigation.

Innovations and product approvals

Pharmaceuticals

Over the course of 2025 and early 2026, we made significant progress in the fields of ophthalmology, oncology, women's healthcare, cardiovascular disease and radiology.

In ophthalmology, aflibercept 8 mg (brand name Eylea™ 8 mg) was approved in China in May for the treatment of neovascular (wet) age-related macular degeneration. Also in May, we announced the submission of an application in Japan seeking approval of aflibercept 8 mg for the treatment of patients with macular edema following retinal vein occlusion. In June, aflibercept 8 mg with extended treatment intervals of up to six months was approved in the European Union (EU) for the treatment of two retinal diseases: neovascular (wet) age-related macular degeneration and diabetic macular edema. This was followed in January 2026 by approval in the EU for the treatment of patients with macular edema following retinal vein occlusion including branch, central and hemiretinal vein occlusion.

In oncology, darolutamide (brand name Nubeqa™) was approved in June in the United States for the treatment of patients with metastatic castration-sensitive prostate cancer. In July, we announced marketing authorization approval in the EU for Nubeqa™ in combination with androgen deprivation therapy for the treatment of patients with metastatic hormone-sensitive prostate cancer. In February 2026, the Chinese National Medical Products Administration likewise granted regulatory approval for Nubeqa™ in this indication. In November, furthermore, sevabertinib (brand name Hyrnuo™) was granted accelerated approval in the United States for the treatment of patients with advanced HER2-mutant non-small-cell lung cancer who have received prior therapy.

In women's healthcare, we received marketing authorization in July in the United Kingdom and Canada, and in October in the United States for elinzanetant (brand name Lynkuet™) for the treatment of moderate to severe vasomotor symptoms (also known as hot flashes) associated with menopause. In November, Lynkuet™ was granted marketing authorization in the EU for the treatment of moderate to severe vasomotor symptoms associated with menopause or caused by adjuvant endocrine therapy related to breast cancer.

In cardiovascular disease, we received marketing authorization in the United States in July and in Japan in December for finerenone (brand name Kerendia™) for the treatment of adult patients with chronic heart failure and left ventricular ejection fraction ≥40%. Applications seeking approval of finerenone in the same indication were also submitted in China and the EU. In November, furthermore, we reported positive topline results from the global Phase III OCEANIC-STROKE trial with the investigational drug asundexian for secondary stroke prevention. The study met its primary efficacy and safety endpoints.

In radiology, we filed for approval of gadoquatrane in contrast-enhanced magnetic resonance imaging (MRI) of the central nervous system and other body regions in adults and pediatric patients including term neonates in Japan in May and in the United States in June, followed by the EU in July and China in August.

Crop Science

In July, we reported that we had submitted registration applications for our novel herbicide icafolin-methyl in the European Union, the United States, Brazil and Canada. Icafolin is part of our blockbuster pipeline and offers a new mode of action for post-emergent weed control in broad-acre crops. We expect market launches from 2028 onward with initial availability in Brazil.

Resolution of licensing agreements

In January 2026, Bayer reached an agreement to resolve a dispute regarding the use of its proprietary technology and received €448 million. This will be recognized as licensing revenue in the first quarter of 2026 under the Soybean Seed & Traits strategic business entity within Crop Science. The company also reached an agreement to resolve a licensing dispute in the fourth quarter of 2025, with the licensing revenue mainly accounted for in the Corn Seed & Traits strategic business entity.

Portfolio changes

In February 2026, we completed the divestment of the anti-infective brand Avelox™ to Ascenda Pte. Ltd. (Singapore). The selling price for the global Avelox™ business, for which China is the main market, was €250 million, resulting in other operating income of the same amount.

Financing activities

In February 2026, Bayer AG and Bayer US Finance LLC, United States, jointly signed an US$8 billion bank loan facility. The facility has a tenor of one year, plus two six-month extension options. Repayment of drawings against this facility by Bayer US Finance LLC is guaranteed by Bayer AG. The participating banks are entitled to terminate the credit facility in the event of a change of control at Bayer and demand repayment of any loans that may have been granted under this facility up to that time.

Board of Management

In July, the Supervisory Board of Bayer AG unanimously decided to extend the contract of CEO Bill Anderson until March 31, 2029. His contract was originally set to end on March 31, 2026.

In November, the Supervisory Board of Bayer AG appointed Dr. Judith Hartmann to the company's Board of Management, effective March 1, 2026. She will succeed Wolfgang Nickl as the company's Chief Financial Officer (CFO) on June 1, 2026.

2.1.3 Economic Environment

Global economic growth declines

The global economy grew by a low single-digit percentage in 2025[15], remaining remarkably resilient amid trade policy uncertainties.

Currency development

In 2025, negative currency effects impacted Group sales by €1,742 million, EBITDA before special items by €491 million, and core earnings per share by €0.31. By contrast, net financial debt included positive currency effects of €1,370 million. The effects on sales and EBITDA before special items pertained to the currencies shown in the following table.

A 2.1.3/1

Currency development Bayer Group

	Average end-of-day exchange rate against the euro for the year		€ million	
	2024	**2025**	**Fx effect on sales[1]**	**Fx effect on clean EBITDA[2]**
AUD	1.64	1.75	(48)	(19)
BRL	5.80	6.31	(241)	(170)
CAD	1.48	1.58	(92)	(33)
CNY	7.80	8.11	(110)	(39)
JPY	163.69	168.63	(33)	(38)
MXN	19.70	21.67	(113)	(33)
RUB	100.13	94.24	57	5
TRY	35.47	44.30	(198)	(23)
USD	1.08	1.13	(581)	66
Other currency areas and effects[1]			(383)	(207)
Total			**(1,742)**	**(491)**

[1] Including hyperinflationary effects
[2] Includes effects relating to hyperinflation and Fx hedging, including hedging costs

[15] Source: International Monetary Fund (as of January 2026)

2.2 Earnings; Asset and Financial Position of the Bayer Group

2.2.1 Earnings Performance of the Bayer Group

Business development of the Bayer Group

A 2.2.1/1

			Change (%)				Change (%)	
€ million	Q4 2024	Q4 2025	Reported	Fx & p adj.	2024	2025	Reported	Fx & p adj.
Sales	**11,729**	**11,438**	**–2.5**	**+2.9**	**46,606**	**45,575**	**–2.2**	**+1.1**
Change in sales[1]								
Volume	–0.3%	+3.7%			0.0%	+2.1%		
Price	+0.4%	–0.8%			+0.7%	–1.0%		
Currency	–1.2%	–5.9%			–2.9%	–3.7%		
Portfolio	0.0%	+0.5%			0.0%	+0.4%		
Sales by region								
Europe/Middle East/Africa	2,969	2,869	–3.4	–3.1	13,980	13,501	–3.4	–3.5
North America	3,994	4,054	+1.5	+10.5	16,477	16,725	+1.5	+5.1
Asia/Pacific	2,155	1,782	–17.3	–10.1	8,071	7,518	–6.9	–2.8
Latin America	2,611	2,733	+4.7	+8.7	8,078	7,831	–3.1	+4.7
EBITDA[1]	**1,901**	**(2,537)**	**.**		**8,712**	**1,708**	**–80.4**	
Special items[1]	(449)	(4,505)			(1,411)	(7,961)		
EBITDA before special items[1]	**2,349**	**1,968**	**–16.2**		**10,123**	**9,669**	**–4.5**	
EBITDA margin before special items[1]	20.0%	17.2%			21.7%	21.2%		
EBIT[1]	**134**	**(2,871)**	**.**		**(71)**	**(1,077)**	**.**	
Special items[1]	(722)	(3,553)			(5,507)	(6,185)		
EBIT before special items[1]	**855**	**682**	**–20.2**		**5,436**	**5,108**	**–6.0**	
Financial result	**(615)**	**(501)**	**.**		**(2,263)**	**(2,052)**	**.**	
Net income (from continuing and discontinued operations)	**(335)**	**(3,757)**	**.**		**(2,552)**	**(3,620)**	**.**	
Earnings per share from continuing and discontinued operations (€)	**(0.34)**	**(3.82)**	**.**		**(2.60)**	**(3.68)**	**.**	
Core earnings per share[1] **from continuing operations (€)**	**1.05**	**0.62**	**–41.0**		**5.05**	**4.91**	**–2.8**	
Net cash provided by (used in) operating activities (from continuing and discontinued operations)	**4,997**	**4,202**	**–15.9**		**7,368**	**5,930**	**–19.5**	
Free cash flow[1]	**3,312**	**2,891**	**–12.7**		**3,107**	**2,084**	**–32.9**	
Net financial debt (at end of period)	**32,626**	**29,843**	**–8.5**		**32,626**	**29,843**	**–8.5**	
Cash flow-relevant capital expenditures (from continuing and discontinued operations)	**1,099**	**798**	**–27.4**		**2,778**	**2,487**	**–10.5**	
Research and development expenses	**1,725**	**1,405**	**–18.6**		**6,209**	**5,769**	**–7.1**	
Depreciation, amortization and impairment losses/loss reversals	**1,767**	**334**	**–81.1**		**8,783**	**2,785**	**–68.3**	
Number of employees (at end of period)[2]	**92,815**	**88,078**	**–5.1**		**92,815**	**88,078**	**–5.1**	
Personnel expenses (including pension expenses and restructuring measures)	**3,216**	**3,100**	**–3.6**		**12,451**	**11,725**	**–5.8**	

Fx & p adj. = currency- and portfolio-adjusted

[1] For definition see A 2.3 "Alternative Performance Measures Used by the Bayer Group."

[2] Employees calculated as full-time equivalents (FTEs)

Sales

Sales of the Bayer Group increased by 1.1% (Fx & portfolio adj.) to €45,575 million in 2025 (reported –2.2%), with Germany accounting for €2,584 million of this figure. We registered substantial currency headwinds of €1,742 million.

Sales at Crop Science advanced by 1.1% (Fx & portfolio adj.) to €21,622 million. Growth was mainly driven by Corn Seed & Traits, which registered significant gains and more than offset the headwinds arising from regulatory impacts in the United States and Europe. Sales at Pharmaceuticals rose by 1.7% (Fx & portfolio adj.) to €17,829 million. We again registered significant gains for Nubeqa™ and Kerendia™, as well as higher sales for our Radiology business and Mirena™ product family. By contrast, business headwinds mainly related to declines for Xarelto™ and Eylea™. Sales at Consumer Health came in at €5,802 million, and were therefore in line with the prior-year level (Fx & portfolio adj. –0.1%). We registered gains in the Digestive Health, Dermatology and Pain & Cardio categories, but posted declines at Nutritionals and Allergy & Cold. In the Reconciliation, sales decreased by 6.5% (Fx & portfolio adj.) to €322 million.

Earnings

EBITDA before special items of the Bayer Group declined by 4.5% to €9,669 million (2024: €10,123 million). This figure included a negative currency effect of €491 million that impacted all divisions. At Crop Science, EBITDA before special items declined by 3.2% to €4,188 million (2024: €4,325 million). Earnings were mainly impacted by higher expenses for the Group-wide short-term-incentive (STI) program compared with the previous year thanks to a higher level of target attainment. By contrast, our efficiency programs had a positive effect. At Pharmaceuticals, EBITDA before special items decreased by 4.2% to €4,525 million (2024: €4,722 million), mainly due to increased selling expenses for marketing our new products and higher investments in our R&D activities. EBITDA before special items at Consumer Health declined by 1.8% to €1,341 million (2024: €1,366 million), largely due to currency headwinds. However, the division was able to partially offset this effect thanks to its continuous cost and price management efforts. In the Reconciliation, EBITDA before special items came in at minus €385 million (2024: minus €290 million) and was mainly impacted by higher expenses for the Group-wide long-term incentive (LTI) program.

EBITDA declined to €1,708 million in 2025 (2024: €8,712 million), mainly due to higher special charges as well as the effects mentioned above.

Depreciation, amortization, impairment losses and impairment loss reversals led to net expense of €2,785 million (2024: €8,783 million). Of this amount, intangible assets accounted for amortization, impairment losses and impairment loss reversals of €984 million (2024: €6,636 million), and property, plant and equipment accounted for depreciation, impairment losses and impairment loss reversals of €1,801 million (2024: €2,147 million). Impairment losses and impairment loss reversals led to net gains of €1,379 million (2024: net expense of €4,735 million), with intangible assets accounting for net gains of €1,580 million (2024: net expense of €4,184 million). The impairment losses and impairment loss reversals were primarily attributable to the Crop Science Division (net impairment loss reversals of €1,628 million).

Net impairment loss reversals of €1,791 million (2024: net impairment losses of €4,096 million) and accelerated depreciation of €13 million (2024: €6 million) were included in special items.

EBIT before special items declined by 6.0% to €5,108 million (2024: €5,436 million). **EBIT** amounted to minus €1,077 million in 2025 (2024: minus €71 million) after net special charges of €6,185 million (2024: €5,507 million) that mainly resulted from litigation-related expenses.

The following special effects were taken into account in calculating EBIT and EBITDA before special items.

A 2.2.1/2

Special items[1] by category

€ million	EBIT Q4 2024	EBIT Q4 2025	EBIT 2024	EBIT 2025	EBITDA Q4 2024	EBITDA Q4 2025	EBITDA 2024	EBITDA 2025
Total special items	**(722)**	**(3,553)**	**(5,507)**	**(6,185)**	**(449)**	**(4,505)**	**(1,411)**	**(7,961)**
Restructuring	(532)	(222)	(1,327)	(621)	(533)	(212)	(1,323)	(595)
of which in the Reconciliation	(136)	(30)	(301)	(45)	(137)	(30)	(301)	(45)
Divestments/closures	(10)	63	(54)	60	(10)	63	(13)	60
Litigation/legal risks	16	(4,415)	(213)	(7,455)	16	(4,415)	(213)	(7,455)
of which in the Reconciliation	(6)	(1,125)	(271)	(1,937)	(6)	(1,125)	(271)	(1,937)
Impairment losses/loss reversals[2]	(274)	962	(4,051)	1,802	–	–	–	–
Other	78	59	138	29	78	59	138	29

[1] For definition, see A 2.3 "Alternative Performance Measures Used by the Bayer Group."
[2] Where not already included in the other special items categories

Core earnings per share

Core earnings per share decreased by 2.8% year on year to €4.91 (2024: €5.05), mainly due to the decline in earnings in the Pharmaceuticals and Crop Science divisions. However, the improved financial result had a positive impact.

Earnings per share (total) amounted to minus €3.68 in 2025 (2024: minus €2.60). The difference between this figure and the one for core earnings per share is mainly due to the litigation-related expenses.

A 2.2.1/3

Core earnings per share[1]

€ million	Q4 2024	Q4 2025	2024	2025
EBIT[1] (as per income statements)	**134**	**(2,871)**	**(71)**	**(1,077)**
Amortization and impairment losses/loss reversals on goodwill and other intangible assets	928	(192)	6,636	985
Impairment losses (+)/loss reversals (–) on property, plant and equipment, and accelerated depreciation included in special items	442	113	557	213
Special charges (+)/special gains (–) (other than accelerated depreciation, amortization and impairment losses/loss reversals)	448	4,505	1,411	7,961
Core EBIT[1]	**1,952**	**1,555**	**8,533**	**8,082**
Financial result (as per income statements)	(615)	(501)	(2,263)	(2,052)
Special charges (+)/special gains (–) in the financial result[2]	142	101	412	505
Income taxes (as per income statements)	153	(378)	(212)	(466)
Tax effects related to amortization, impairment losses/loss reversals and special items	(594)	(158)	(1,481)	(1,222)
Income after income taxes attributable to noncontrolling interest (as per income statements)	(7)	(7)	(6)	(25)
Above-mentioned adjustments attributable to noncontrolling interest	(1)	(1)	(17)	(3)
Core net income from continuing operations	**1,030**	**611**	**4,966**	**4,819**
Shares (million)				
Weighted average number of shares	982.42	982.42	982.42	982.42
€				
Core earnings per share from continuing operations[1]	**1.05**	**0.62**	**5.05**	**4.91**

[1] For definition see A 2.3 "Alternative Performance Measures Used by the Bayer Group."
[2] Includes in particular interest expenses related to litigations/legal risks

Personnel expenses and employee numbers

The number of employees in the Bayer Group as of the closing date fell by 5.1% year on year to 88,078 (December 31, 2024: 92,815). Personnel expenses decreased by 5.8% to €11,725 million (2024: €12,451 million). The significant savings generated by the reduction in headcount as well as lower expenses for our restructuring programs more than offset higher expenses for the Group-wide incentive programs.

Bayer Group – Other earnings parameters

A 2.2.1/4

Bayer Group summary income statements

€ million	Q4 2024	Q4 2025	Change (%)	2024	2025	Change (%)
Net sales	11,729	11,438	–2.5	46,606	45,575	–2.2
Cost of goods sold	(5,723)	(4,501)	–21.4	(21,270)	(18,797)	–11.6
Selling expenses	(3,599)	(3,435)	–4.6	(13,364)	(12,549)	–6.1
Research and development expenses	(1,725)	(1,405)	–18.6	(6,209)	(5,769)	–7.1
General administration expenses	(736)	(617)	–16.2	(2,574)	(2,160)	–16.1
Other operating income/(expenses)	188	(4,351)	.	(3,260)	(7,377)	+126.3
EBIT[1]	**134**	**(2,871)**	**.**	**(71)**	**(1,077)**	**.**
Financial result	**(615)**	**(501)**	**–18.5**	**(2,263)**	**(2,052)**	**–9.3**
Income before income taxes	**(481)**	**(3,372)**	**.**	**(2,334)**	**(3,129)**	**+34.1**
Income taxes	153	(378)	.	(212)	(466)	+119.8
Income from continuing operations after taxes	(328)	(3,750)	.	(2,546)	(3,595)	+41.2
Income after income taxes (total)	**(328)**	**(3,750)**	**.**	**(2,546)**	**(3,595)**	**+41.2**
of which attributable to noncontrolling interest	7	7	–	6	25	.
of which attributable to Bayer AG stockholders (net income)	**(335)**	**(3,757)**	**.**	**(2,552)**	**(3,620)**	**+41.8**

[1] For definition see A 2.3 "Alternative Performance Measures Used by the Bayer Group."

Functional costs

The special effects accounted for in EBIT and EBITDA before special items were attributable to the functional costs as shown in the following table.

A 2.2.1/5

Special items[1] by functional cost

€ million	EBIT Q4 2024	EBIT Q4 2025	EBIT 2024	EBIT 2025	EBITDA Q4 2024	EBITDA Q4 2025	EBITDA 2024	EBITDA 2025
Total special items	**(722)**	**(3,553)**	**(5,507)**	**(6,185)**	**(449)**	**(4,505)**	**(1,411)**	**(7,961)**
Cost of goods sold	(481)	500	(1,069)	770	(201)	(73)	(439)	(270)
Selling expenses	(62)	26	(361)	200	(96)	(74)	(276)	(151)
Research and development expenses	(101)	254	(349)	266	(74)	(25)	(235)	(119)
General administration expenses	(164)	(38)	(390)	(54)	(163)	(38)	(390)	(54)
Other operating income/(expenses)	86	(4,295)	(3,338)	(7,367)	85	(4,295)	(71)	(7,367)

[1] For definition see A 2.3 "Alternative Performance Measures Used by the Bayer Group."

The cost of goods sold fell by 11.6% year on year to €18,797 million, while the ratio of the cost of goods sold to total sales decreased to 41.2% (2024: 45.6%). After adjusting for special items and currency effects, the cost of goods sold increased by 2.6%. This increase mainly related to the Pharmaceuticals Division and was largely attributable to higher sales volumes.

Selling expenses declined by 6.1% to €12,549 million, with the ratio of selling expenses to sales amounting to 27.5% (2024: 28.7%). After adjusting for special items and currency effects, selling expenses edged up by 1.0% against the previous year.

Research and development (R&D) expenses decreased by 7.1% to €5,769 million, while the ratio of R&D expenses to sales came in at 12.7% (2024: 13.3%). This decline was mainly attributable to lower special charges in the Crop Science Division. Adjusted for special items and currency effects, R&D

expenses increased by 5.2%, mainly due to investments in early-stage research and in our cell and gene therapy and chemoproteomics technologies.

General administration expenses fell by 16.1% to €2,160 million, while the ratio of general administration expenses to total sales fell to 4.7% (2024: 5.5%). After adjusting for special items and currency effects, general administration expenses were on a par with the prior year, edging 0.2% lower.

The balance of other operating expenses and other operating income came in at minus €7,377 million, representing a deterioration against the prior year (2024: minus €3,260 million) that was predominantly due to higher special items.

Overall, higher expenses for the Group-wide incentive programs pushed up all functional costs.

Financial result and income before income taxes

After a financial result of minus €2,052 million (2024: minus €2,263 million), income before income taxes amounted to minus €3,129 million (2024: minus €2,334 million). The improvement in the financial result was mainly attributable to a reduced loss from investments in affiliated companies as well as to lower expenses for the interest portion of discounted provisions.

A 2.2.1/6

Financial result[1]

€ million	Q4 2024	Q4 2025	2024	2025
Income (loss) from investments in affiliated companies	(66)	(32)	(163)	(26)
Net interest expense	(347)	(310)	(1,425)	(1,458)
Other financial income/(expenses)	(202)	(159)	(675)	(568)
of which interest portion of discounted provisions	(104)	(82)	(412)	(336)
of which exchange gain (loss)	(76)	(69)	(203)	(169)
of which miscellaneous financial income/(expenses)	(22)	(8)	(60)	(63)
Total	**(615)**	**(501)**	**(2,263)**	**(2,052)**
of which special items (net)	(142)	(101)	(412)	(505)

[1] Further information on the financial result is given in Note [10].

Income taxes

Income tax expense of €466 million was recorded in 2025 (2024: €212 million). Current income tax expense increased by €50 million, while tax income from the recognition of deferred tax assets relating to temporary differences, tax loss carryforwards, unutilized tax credits and interest carryforwards decreased by €204 million overall.

Net income

After income tax expense and income attributable to noncontrolling interest, net income amounted to minus €3,620 million in 2025 (2024: minus €2,552 million).

2.2.2 Business Development by Division

Crop Science

Market

The global seed and crop protection market recorded currency-adjusted growth of approximately 2%[16] in 2025, largely driven by an increase in planted area for corn in the United States that partly came at the expense of soybean and cotton acreages. Market growth was also seen in Brazil and Argentina following the decrease in corn acreages in the prior year. The vegetable seeds segment continued to experience strong growth across all regions. Meanwhile, market development in the crop protection segment was mostly flat, with competitive pressure from generics again causing headwinds. However, increased infestation and pest pressure in certain regions had a positive impact.

[16] Source: Bayer's estimate (as of January 2026), plus various local sources

A 2.2.2/1

Key data – Crop Science

			Change (%)[1]				Change (%)[1]	
€ million	Q4 2024	Q4 2025	Reported	Fx & p adj.	2024	2025	Reported	Fx & p adj.
Sales	**5,385**	**5,396**	**+0.2**	**+6.3**	**22,259**	**21,622**	**–2.9**	**+1.1**
Change in sales[1]								
Volume	–0.4%	+5.6%			+0.1%	+1.2%		
Price	–1.9%	+0.7%			–2.1%	–0.1%		
Currency	–2.1%	–6.1%			–2.3%	–4.0%		
Portfolio	0.0%	0.0%			0.0%	0.0%		
Sales by region								
Europe/Middle East/Africa	570	620	+8.8	+13.8	4,521	4,493	–0.6	+1.4
North America	2,014	1,975	–1.9	+7.4	9,268	8,890	–4.1	–1.2
Asia/Pacific	650	534	–17.8	–9.5	2,219	2,103	–5.2	+0.3
Latin America	2,151	2,267	+5.4	+8.2	6,251	6,136	–1.8	+4.5
EBITDA[1]	**788**	**(2,586)**	**.**		**3,966**	**(1,585)**	**.**	
Special items[1]	(129)	(3,352)			(359)	(5,773)		
EBITDA before special items[1]	**917**	**766**	**–16.5**		**4,325**	**4,188**	**–3.2**	
EBITDA margin before special items[1]	17.0%	14.2%			19.4%	19.4%		
EBIT[1]	**(170)**	**(2,317)**	**.**		**(2,756)**	**(2,532)**	**.**	
Special items[1]	(409)	(2,359)			(4,416)	(3,956)		
EBIT before special items[1]	**239**	**42**	**–82.4**		**1,660**	**1,424**	**–14.2**	
Net cash provided by operating activities	**3,651**	**3,129**	**–14.3**		**3,197**	**1,793**	**–43.9**	
Cash flow-relevant capital expenditures	402	382	–5.0		1,162	1,009	–13.2	
Research and development expenses[2]	717	392	–45.3		2,611	2,013	–22.9	

Fx & p adj. = currency- and portfolio-adjusted
[1] For definition see A 2.3 "Alternative Performance Measures Used by the Bayer Group."
[2] After special items and depreciation/amortization/impairments

Sales

Sales at Crop Science increased by 1.1% (Fx & portfolio adj.) to €21,622 million in 2025. Growth was mainly driven by Corn Seed & Traits, which registered significant gains across all regions and more than offset the headwinds arising from regulatory impacts relating to the vacatur of the dicamba label in the United States and the expiration of the Movento™ registration in Europe.

A 2.2.2/2

Sales by strategic business entity

			Change (%)[1]				Change (%)[1]	
€ million	Q4 2024	Q4 2025	Reported	Fx & p adj.	2024	2025	Reported	Fx & p adj.
Crop Science	**5,385**	**5,396**	**+0.2**	**+6.3**	**22,259**	**21,622**	**–2.9**	**+1.1**
Corn Seed & Traits	1,454	1,739	+19.6	+28.5	6,559	7,149	+9.0	+13.2
Herbicides[2]	1,317	1,204	–8.6	–2.9	5,493	5,279	–3.9	+0.5
of which glyphosate-based products[2]	618	642	+3.9	+10.3	2,672	2,552	–4.5	+0.1
Fungicides	786	687	–12.6	–8.9	3,157	2,888	–8.5	–4.8
Soybean Seed & Traits	767	778	+1.4	+5.7	2,475	2,214	–10.5	–7.7
Insecticides	431	353	–18.1	–13.9	1,640	1,369	–16.5	–12.2
Vegetable Seeds	213	225	+5.6	+14.0	772	788	+2.1	+7.5
Cotton Seed	159	128	–19.5	–15.8	585	442	–24.4	–22.9
Other[2]	258	282	+9.3	+21.0	1,578	1,493	–5.4	–1.6

Fx & p adj. = currency- and portfolio-adjusted
[1] For definition see A 2.3 "Alternative Performance Measures Used by the Bayer Group."
[2] Starting in 2025, we now report our Industrial Turf & Ornamental business outside the United States under Herbicides, glyphosate-based products (previously: Other). This resulted in an effect of approximately €20 million for full-year 2025. The prior-year figures are presented accordingly.

// Sales at **Corn Seed & Traits** advanced by a double-digit percentage, with significant growth across all regions from strong product performance, an increase in planted area and the resolution of a licensing agreement in North America.
// Business at **Herbicides** was at the prior-year level. Our non-glyphosate-based products saw strong performance in Latin America and Europe/Middle East/Africa, offsetting lower prices and volumes in North America. As for our glyphosate-based products, increased market prices and higher volumes in North America were mostly offset by lower volumes and prices in Latin America.
// Sales at **Fungicides** came in below the prior-year level, largely due to declines in North America and Asia/Pacific from market- and weather-related factors. By contrast, we recorded an increase in volumes in Europe/Middle East/Africa.
// Our **Soybean Seed & Traits** business saw sales decrease against the prior year, with the dicamba label vacatur and lower planted area in the United States resulting in substantial declines. By contrast, sales in Latin America posted robust growth thanks to strong Intacta 2 Xtend™ adoption.
// Sales at **Insecticides** declined considerably, primarily due to the expiration of the Movento™ registration in Europe.
// Our **Vegetable Seeds** business recorded a strong increase in sales that was driven by higher prices and volumes in nearly all regions.
// Sales at **Cotton Seed** decreased substantially, with business mainly down in the United States due to the aforementioned dicamba label vacatur and lower planted area.
// In the reporting unit **"Other"**, we recorded a slight decrease in sales that was mainly attributable to lower volumes in the other parts of our seed portfolio.

Earnings

EBITDA before special items at Crop Science decreased by 3.2% to €4,188 million in 2025 (2024: €4,325 million), and included a negative currency effect of €208 million (2024: positive currency effect of €37 million). Earnings benefited from strong growth at Corn Seed & Traits and cost savings from our efficiency programs. By contrast, earnings were impacted by regulatory headwinds, higher expenses for the Group-wide short-term incentive (STI) program and strategic actions, including in particular costs associated with portfolio streamlining and the absence of prior-year income from the divestment of noncore businesses. The EBITDA margin before special items was 19.4%, and was therefore unchanged from the prior-year figure.

EBIT came in at minus €2,532 million in 2025 (2024: minus €2,756 million) after net special charges of €3,956 million (2024: €4,416 million) that were primarily attributable to litigation-related expenses of €5,520 million. The special charges were partially offset by net impairment loss reversals of €1,843 million arising from unscheduled impairment testing in the second quarter as well as our regular annual impairment testing. This unscheduled impairment testing in the second quarter resulted in the recognition of impairment loss reversals in the cash-generating units Corn Seed & Traits (€647 million) and Cotton Seed (€389 million), as well as an impairment loss in the cash-generating unit Vegetable Seeds (€196 million). These net impairment loss reversals arose in conjunction with the division comprehensively revising its business strategy (Five-Year Framework), which also involved modifying long-term modeling assumptions and the allocation of costs. During the regular impairment testing at the end of the year, we recorded additional impairment loss reversals in the cash-generating units Soybean Seed & Traits (€838 million) and Cotton Seed (€160 million) that were attributable to improved business prospects.

A 2.2.2/3

Special items[1] Crop Science

€ million	EBIT Q4 2024	EBIT Q4 2025	EBIT 2024	EBIT 2025	EBITDA Q4 2024	EBITDA Q4 2025	EBITDA 2024	EBITDA 2025
Restructuring	(150)	(72)	(402)	(279)	(150)	(62)	(402)	(253)
Litigation/legal risks	21	(3,290)	43	(5,520)	21	(3,290)	43	(5,520)
Impairment losses/loss reversals	(280)	1,003	(4,057)	1,843	–	–	–	–
Total special items	**(409)**	**(2,359)**	**(4,416)**	**(3,956)**	**(129)**	**(3,352)**	**(359)**	**(5,773)**

[1] For definition see A 2.3 "Alternative Performance Measures Used by the Bayer Group."

Fourth quarter of 2025

Sales

Sales rose by 6.3% (Fx & portfolio adj.) to €5,396 million in the fourth quarter. **Corn Seed & Traits** saw a particularly strong increase in sales, with double-digit percentage gains registered in all regions. Growth was mainly driven by the resolution of a licensing agreement in North America and strong business performance in Latin America. Sales in the **Herbicides** business were lower year on year due to significant declines for our non-glyphosate-based products in North America and Asia/Pacific. By contrast, our glyphosate-based products posted strong sales growth thanks to higher volumes across all regions and increased prices in North America. Sales at **Fungicides** were down against the prior year, with business mainly impacted by substantial volume declines in Asia/Pacific and North America. By contrast, we registered a strong increase in volumes and prices in Europe/Middle East/Africa. Our **Soybean Seed & Traits** business posted an increase in sales that was largely attributable to continued strong adoption of Intacta 2 Xtend™ in Latin America. At **Insecticides**, we recorded substantial declines, with business mainly down in Latin America amid increased competitive pressure from generics. Our **Vegetable Seeds** business saw a substantial increase in sales that was primarily driven by higher volumes and prices in the North America and Europe/Middle East/Africa regions. Sales at **Cotton Seed** decreased substantially, with business mainly down due to lower volumes in North America and Asia/Pacific. This effect was only marginally offset by higher volumes in Latin America. In the reporting unit **"Other"**, we registered significant gains in the canola business that were primarily driven by the aforementioned resolution of a licensing agreement.

Earnings

EBITDA before special items decreased by 16.5% to €766 million in the fourth quarter (Q4 2024: €917 million). The decline in earnings was primarily due to higher STI expenses compared with the prior year thanks to a higher level of target attainment. In addition, year-on-year performance was impacted by strategic actions, including in particular costs associated with portfolio streamlining and the absence of prior-year income from the divestment of noncore businesses. There was also a negative currency effect of €106 million (Q4 2024: positive currency effect of €48 million). By contrast, earnings benefited from the aforementioned resolution of the licensing agreement in North America and cost savings generated by our efficiency programs. The EBITDA margin before special items declined by 2.8 percentage points to 14.2%.

EBIT declined to minus €2,317 million in the fourth quarter (Q4 2024: minus €170 million) after net special charges of €2,359 million (Q4 2024: €409 million) that were primarily attributable to litigation-related expenses. These charges were partly offset by special gains relating to the aforementioned impairment loss reversals that were recognized in the cash-generating units Soybean Seed & Traits and Cotton Seed as part of the regular annual impairment testing.

Pharmaceuticals

Market

The pharmaceuticals market experienced currency-adjusted growth of approximately 9%[17, 18] in 2025. The US market was the biggest driver, accounting for over half of global growth. In terms of therapeutic areas, drugs to treat metabolic disorders (GLP-1s) as well as oncology medicines saw strong increases and were therefore the main growth drivers for the global pharmaceuticals market.

[17] Source: IQVIA Market Prognosis (as of September 2025); all rights reserved
[18] Source: IQVIA The Global Use of Medicines Outlook through 2029 (as of June 2025); all rights reserved

A 2.2.2/4

Key data – Pharmaceuticals

€ million	Q4 2024	Q4 2025	Change (%)[1] Reported	Change (%)[1] Fx & p adj.	2024	2025	Change (%)[1] Reported	Change (%)[1] Fx & p adj.
Sales	**4,658**	**4,476**	**–3.9**	**+1.7**	**18,131**	**17,829**	**–1.7**	**+1.7**
Change in sales[1]								
Volume	0.0%	+5.2%			+1.1%	+4.5%		
Price	+2.4%	–3.5%			+2.2%	–2.8%		
Currency	–0.7%	–5.6%			–3.0%	–3.4%		
Portfolio	0.0%	0.0%			0.0%	0.0%		
Sales by region								
Europe/Middle East/Africa	1,737	1,539	–11.4	–10.1	7,053	6,409	–9.1	–8.4
North America	1,414	1,593	+12.7	+21.6	5,089	5,843	+14.8	+19.7
Asia/Pacific	1,247	1,060	–15.0	–7.9	4,945	4,587	–7.2	–3.8
Latin America	260	284	+9.2	+19.1	1,044	990	–5.2	+7.7
EBITDA[1]	**945**	**1,005**	**+6.3**		**4,344**	**4,302**	**–1.0**	
Special items[1]	(159)	(39)			(378)	(223)		
EBITDA before special items[1]	**1,104**	**1,044**	**–5.4**		**4,722**	**4,525**	**–4.2**	
EBITDA margin before special items[1]	23.7%	23.3%			26.0%	25.4%		
EBIT[1]	**110**	**582**	**.**		**2,790**	**3,127**	**+12.1**	
Special items[1]	(355)	(80)			(578)	(264)		
EBIT before special items[1]	**465**	**662**	**+42.4**		**3,368**	**3,391**	**+0.7**	
Net cash provided by operating activities	**862**	**1,000**	**+16.0**		**3,995**	**3,901**	**–2.4**	
Cash flow-relevant capital expenditures	553	276	–50.1		1,175	870	–26.0	
Research and development expenses[2]	976	928	–4.9		3,366	3,456	+2.7	

Fx & p adj. = currency- and portfolio-adjusted

[1] For definition see A 2.3 “Alternative Performance Measures Used by the Bayer Group.”

[2] After special items and depreciation/amortization/impairments

Sales

Sales at Pharmaceuticals increased by 1.7% (Fx & portfolio adj.) to €17,829 million in 2025. We again registered significant gains for Nubeqa™ and Kerendia™, while our Radiology business and Mirena™ product family continued to deliver very strong performance. By contrast, business headwinds mainly related to declines for Xarelto™ due to patent expirations, as well as lower Eylea™ sales.

A 2.2.2/5

Best-selling Pharmaceuticals products

			Change (%)[1]				Change (%)[1]	
€ million	Q4 2024	Q4 2025	Reported	Fx & p adj.	2024	2025	Reported	Fx & p adj.
Eylea™	833	702	–15.7	–11.9	3,306	3,110	–5.9	–3.7
Nubeqa™	443	702	+58.5	+68.8	1,523	2,385	+56.6	+62.4
Xarelto™	848	521	–38.6	–37.0	3,480	2,344	–32.6	–31.6
Mirena™/Kyleena™/Jaydess™	335	329	–1.8	+5.5	1,267	1,366	+7.8	+12.5
Kerendia™	137	264	+92.7	+108.7	463	829	+79.0	+88.0
Adempas™	187	191	+2.1	+7.7	721	745	+3.3	+6.6
YAZ™/Yasmin™/Yasminelle™	156	173	+10.9	+18.1	658	700	+6.4	+10.7
Kovaltry™/Jivi™	167	155	–7.2	–0.4	687	613	–10.8	–7.5
CT Fluid Delivery[2]	147	152	+3.4	+10.1	562	583	+3.7	+7.5
Ultravist™	130	146	+12.3	+17.7	490	561	+14.5	+19.7
Aspirin™ Cardio	174	112	–35.6	–30.3	634	516	–18.6	–14.9
Adalat™	127	120	–5.5	+2.0	489	503	+2.9	+7.4
Gadovist™ product family	114	106	–7.0	–0.3	428	415	–3.0	+1.2
Stivarga™	112	77	–31.3	–26.4	463	338	–27.0	–24.5
Glucobay™	48	44	–8.3	–2.0	166	177	+6.6	+11.3
Total best-selling products	**3,958**	**3,794**	**–4.1**	**+1.5**	**15,337**	**15,185**	**–1.0**	**+2.3**
Proportion of Pharmaceuticals sales	85%	85%			85%	85%		

Fx & p adj. = currency- and portfolio-adjusted
[1] For definition see A 2.3 “Alternative Performance Measures Used by the Bayer Group.”
[2] CT Fluid Delivery comprises injection systems marketed primarily as part of the Stellant™ product family.

// Sales of our ophthalmology drug **Eylea™** were down against the prior year. Business was mainly impacted by lower prices, especially in Canada, the United Kingdom and Japan, as well as competitive pressure from generics. By contrast, the launch of Eylea™ 8 mg offering extended treatment intervals provided a significant boost, accounting for around 26% of overall Eylea™ sales.
// Business with our cancer drug **Nubeqa™** expanded significantly in all regions. The product therefore maintained its growth momentum, especially in the United States and Europe, with strong increases in volumes. However, prices in the United States were negatively impacted by the Inflation Reduction Act.
// As expected, sales of our oral anticoagulant **Xarelto™** decreased markedly as a result of competitive pressure from generics, especially in Europe and Japan. License revenues – recognized as sales – in the United States, where Xarelto™ is marketed by a subsidiary of Johnson & Johnson, were up against the prior year.
// Sales of **Kerendia™**, our product for the treatment of chronic kidney disease associated with type 2 diabetes, as well as heart failure, rose considerably across all regions. Growth was primarily fueled by gains in the United States and China.
// Sales of our long-term contraceptives in the **Mirena™** product family advanced by a double-digit percentage, with growth largely driven by higher volumes in the United States.
// Our pulmonary hypertension treatment **Adempas™** posted a strong rise in sales that was primarily attributable to higher volumes in the United States. As in the past, sales reflected the proportionate recognition of the upfront and milestone payments resulting from the sGC collaboration with Merck & Co., United States.
// We also registered further gains for our oral contraceptives in the **YAZ™** product family, especially in China.
// Sales of our **Kovaltry™/Jivi™** blood-clotting medicines declined, largely due to lower volumes in the United States and Europe as a result of competitive pressure.
// Sales of **Aspirin™ Cardio**, our product for the secondary prevention of heart attacks, and **Stivarga™**, our cancer drug, declined substantially in China as a result of the country’s volume-based procurement policy.
// Business with **Adalat™**, our product for the treatment of hypertension and coronary heart disease, benefited from a strong rise in volumes in China.
// Our Radiology business, which includes products such as **Ultravist™** and **CT Fluid Delivery**, continued to post very strong gains that were fueled by volume growth.

Earnings

EBITDA before special items decreased by 4.2% to €4,525 million in 2025 (2024: €4,722 million). The decline in earnings was mainly attributable to an increase in selling expenses that primarily related to the launch of Nubeqa™ and Kerendia™ in new indications as well as the market launch of Lynkuet™ (elinzanetant), Beyonttra™ (acoramidis) and Hyrnuo™ (sevabertinib). There was also a negative currency effect of €213 million (2024: €491 million). Earnings were additionally diminished by higher investments in early-stage research and in our cell and gene therapy and chemoproteomics technologies. By contrast, an inventory write-down reversal and lower expenses for late-stage clinical development projects had a positive impact. In addition, negative pricing developments in connection with patent expirations and the Inflation Reduction Act in the United States were fully offset by a strong increase in volumes. The EBITDA margin before special items declined by 0.6 percentage points to 25.4%.

EBIT at Pharmaceuticals increased by a substantial 12.1% to €3,127 million (2024: €2,790 million) after net special charges of €264 million (2024: €578 million). The special charges were mainly attributable to ongoing restructuring projects and impairment losses on intangible assets that arose as part of the regular annual impairment testing in the fourth quarter. By contrast, special gains primarily arose from the measurement of contingent considerations at fair value.

A 2.2.2/6

Special items[1] Pharmaceuticals

€ million	EBIT Q4 2024	EBIT Q4 2025	EBIT 2024	EBIT 2025	EBITDA Q4 2024	EBITDA Q4 2025	EBITDA 2024	EBITDA 2025
Restructuring	(224)	(95)	(520)	(248)	(224)	(95)	(516)	(248)
Divestments/closures	(10)	(3)	(11)	(6)	(10)	(3)	(11)	(6)
Litigation/legal risks	1	–	15	2	1	–	15	2
Impairment losses/loss reversals	(196)	(41)	(196)	(41)	–	–	–	–
Other	74	59	134	29	74	59	134	29
Total special items	**(355)**	**(80)**	**(578)**	**(264)**	**(159)**	**(39)**	**(378)**	**(223)**

[1] For definition see A 2.3 "Alternative Performance Measures Used by the Bayer Group."

Fourth quarter of 2025

Sales

Sales at Pharmaceuticals increased by 1.7% (Fx & portfolio adj.) to €4,476 million in the fourth quarter. We again posted significant gains for Nubeqa™ and Kerendia™, while our Radiology business and YAZ™ product family delivered strong growth. By contrast, we registered significant declines for Xarelto™ due to patent expirations, as well as lower Eylea™ sales.

Eylea™ sales declined markedly, with business mainly impacted by increased competitive and pricing pressure from generics. However, the launch of Eylea™ 8 mg offering extended treatment intervals provided a significant boost, accounting for around 38% of overall Eylea™ sales. As expected, **Xarelto™** sales declined significantly due to competitive pressure from generics, especially in Europe and Japan. **Nubeqa™** sales increased by a double-digit percentage, with gains in all regions. **Kerendia™** sales also advanced significantly, especially in the United States and China. Sales of **Aspirin™ Cardio** and **Stivarga™** declined substantially, with business primarily down in China. We posted significant gains for our **YAZ™** product family, mainly fueled by volume growth in China. Sales of **Adempas™** also increased substantially, largely driven by business performance in the United States. Our Radiology business, which includes products such as **Ultravist™** and **CT Fluid Delivery**, registered a strong increase in sales thanks to higher volumes across all regions.

Earnings

EBITDA before special items declined by 5.4% to €1,044 million in the fourth quarter (Q4 2024: €1,104 million). Earnings were primarily impacted by higher selling expenses for marketing our new products as well as a negative currency effect of €54 million (Q4 2024: €80 million). By contrast, an inventory write-down reversal had a positive impact. Furthermore, we were able to partially offset higher investments in early-stage research and our cell and gene therapy and chemoproteomics technologies thanks to lower expenses for projects in advanced clinical development. The EBITDA margin before special items declined by 0.4 percentage points to 23.3%.

EBIT at Pharmaceuticals rose substantially in the fourth quarter, coming in at €582 million (Q4 2024: €110 million) after net special charges of €80 million (Q4 2024: €355 million). The special charges were mainly attributable to ongoing restructuring projects and impairment losses on intangible assets that arose as part of the regular annual impairment testing in the fourth quarter. By contrast, special gains primarily arose from the measurement of contingent considerations at fair value.

Consumer Health

Market

The global consumer health market experienced currency-adjusted growth of around 3%[19] in 2025, reflecting a slower rate of expansion compared with 2024 (+5%). Pricing remained the main driver of growth, albeit with more moderate impacts compared to prior years, while volumes stabilized overall. Market expansion was seen in Europe/Middle East/Africa and Latin America, while macroeconomic conditions resulted in declines in the United States and China. All categories experienced growth, while the seasonal category allergy, cough and cold only saw moderate gains.

A 2.2.2/7

Key data – Consumer Health

			Change (%)[1]				Change (%)[1]	
€ million	Q4 2024	Q4 2025	Reported	Fx & p adj.	2024	2025	Reported	Fx & p adj.
Sales	**1,567**	**1,461**	**–6.8**	**–4.6**	**5,870**	**5,802**	**–1.2**	**–0.1**
Change in sales[1]								
Volume	–4.0%	–6.9%			–5.5%	–1.3%		
Price	+3.1%	+2.3%			+7.4%	+1.2%		
Currency	+0.2%	–6.2%			–4.4%	–4.5%		
Portfolio	0.0%	+4.0%			–0.1%	+3.4%		
Sales by region								
Europe/Middle East/Africa	545	607	+11.4	+3.1	2,065	2,283	+10.6	+3.2
North America	566	487	–14.0	–6.1	2,119	1,992	–6.0	–2.0
Asia/Pacific	259	188	–27.4	–22.4	907	828	–8.7	–5.3
Latin America	197	179	–9.1	+1.6	779	699	–10.3	+2.6
EBITDA[1]	**343**	**280**	**–18.4**		**1,264**	**1,292**	**+2.2**	
Special items[1]	(18)	(25)			(102)	(49)		
EBITDA before special items[1]	**361**	**305**	**–15.5**		**1,366**	**1,341**	**–1.8**	
EBITDA margin before special items[1]	23.0%	20.9%			23.3%	23.1%		
EBIT[1]	**442**	**184**	**–58.4**		**1,028**	**912**	**–11.3**	
Special items[1]	184	(25)			59	(49)		
EBIT before special items[1]	**258**	**209**	**–19.0**		**969**	**961**	**–0.8**	
Net cash provided by operating activities	**366**	**373**	**+1.9**		**921**	**1,232**	**+33.8**	
Cash flow-relevant capital expenditures	73	75	+2.7		187	182	–2.7	
Research and development expenses[2]	72	54	–25.0		254	223	–12.2	

Fx & p adj. = currency- and portfolio-adjusted
[1] For definition see A 2.3 "Alternative Performance Measures Used by the Bayer Group."
[2] After special items and depreciation/amortization/impairments

Sales

Sales at Consumer Health came in at €5,802 million in 2025, and were therefore in line with the prior-year level (Fx & portfolio adj. –0.1%) as the division navigated a challenging environment in key markets in North America and Asia/Pacific. We registered gains in the Digestive Health, Dermatology and Pain & Cardio categories, but posted declines at Nutritionals and Allergy & Cold. The drop in sales at Allergy & Cold was primarily attributable to a soft allergy season in North America and lower sales of cough and cold products in Latin America.

[19] Source: Bayer's estimate (as of November 2025), taking into account external sources

A 2.2.2/8

Sales by category

€ million	Q4 2024	Q4 2025	Change (%)[1] Reported	Change (%)[1] Fx & p adj.	2024	2025	Change (%)[1] Reported	Change (%)[1] Fx & p adj.
Consumer Health	**1,567**	**1,461**	**–6.8**	**–4.6**	**5,870**	**5,802**	**–1.2**	**–0.1**
Nutritionals	358	384	+7.3	–4.1	1,375	1,457	+6.0	–3.9
Dermatology	370	343	–7.3	–3.3	1,438	1,424	–1.0	+2.4
Allergy & Cold	337	283	–16.0	–10.7	1,252	1,173	–6.3	–3.0
Digestive Health	254	239	–5.9	+0.5	938	937	–0.1	+3.7
Pain & Cardio	236	202	–14.4	–4.3	830	777	–6.4	+2.1
Other	12	10	–16.7	–3.0	37	34	–8.1	+1.6

Fx & p adj. = currency- and portfolio-adjusted
[1] For definition see A 2.3 “Alternative Performance Measures Used by the Bayer Group.”

// Sales in the **Europe/Middle East/Africa** region rose by 3.2% (Fx & portfolio adj.) to €2,283 million. The Dermatology category saw an increase in sales that was primarily driven by Priorin™ and Bepanthen™. Sales at Digestive Health continued to rise following a strong prior year, with growth primarily fueled by gains for Iberogast™ and Talcid™. Our Nutritionals business also posted higher sales, mainly thanks to Supradyn™ and Elevit™. In addition, the acquisition of Natsana GmbH, Germany, had a positive impact on absolute sales in this category, with these sales contributions accounted for as a portfolio effect.
// Sales in **North America** decreased by 2.0% (Fx & portfolio adj.) to €1,992 million amid a challenging market environment. Business was down at Nutritionals, partly due to the winding down of the US direct-to-consumer business under the Care/of brand in the prior year. We also posted a decline in sales in the allergy business that was largely attributable to a soft season. In addition, sales in the Pain & Cardio category decreased slightly against the prior year. By contrast, we recorded a strong increase in sales in the Digestive Health category, primarily thanks to significant gains for MiraLAX™ that were partly driven by the launch of MiraFAST™.
// Sales in **Asia/Pacific** declined by 5.3% (Fx & portfolio adj.) to €828 million. The division navigated a weak market environment in China, encountering significant headwinds that mainly impacted the Nutritionals business. We also registered a decline in sales in the Digestive Health category. By contrast, sales at Dermatology were in line with the strong prior year, while sales of our allergy products increased, primarily driven by gains for Claritin™ that were partly attributable to product line extensions.
// Sales in **Latin America** increased by 2.6% (Fx & portfolio adj.) to €699 million, with gains at Pain & Cardio and Nutritionals more than offsetting declines at Allergy & Cold and Digestive Health. Growth at Pain & Cardio was driven by Actron™, while the increase in sales at Nutritionals was fueled by Redoxon™ and Supradyn™.

Earnings

EBITDA before special items declined by 1.8% to €1,341 million in 2025 (2024: €1,366 million). Earnings were impacted by a negative currency effect of €73 million (2024: €46 million) that the division was able to partially offset thanks to its continuous cost and price management efforts. Investments in marketing our products were at the prior-year level, while overall selling expenses were down. The EBITDA margin before special items came in at 23.1%, and was therefore 0.2 percentage points below the prior-year level.

EBIT amounted to €912 million (2024: €1,028 million) after special charges of €49 million (2024: net special gains of €59 million) relating to restructuring.

A 2.2.2/9

Special items[1] Consumer Health

€ million	EBIT Q4 2024	EBIT Q4 2025	EBIT 2024	EBIT 2025	EBITDA Q4 2024	EBITDA Q4 2025	EBITDA 2024	EBITDA 2025
Restructuring	(22)	(25)	(104)	(49)	(22)	(25)	(104)	(49)
Divestments/closures	–	–	(43)	–	–	–	(2)	–
Impairment losses/loss reversals	202	–	202	–	–	–	–	–
Other	4	–	4	–	4	–	4	–
Total special items	**184**	**(25)**	**59**	**(49)**	**(18)**	**(25)**	**(102)**	**(49)**

[1] For definition see A 2.3 "Alternative Performance Measures Used by the Bayer Group."

Fourth quarter of 2025

Sales

Sales at Consumer Health declined by 4.6% (Fx & portfolio adj.) to €1,461 million in the fourth quarter. We recorded a decline in sales at Allergy & Cold that was primarily attributable to a soft cold season in North America. Sales also decreased at Nutritionals, Dermatology and Pain & Cardio, with business mainly down in Asia/Pacific amid a market environment that remained challenging. By contrast, we posted an increase in sales at Digestive Health that was primarily driven by significant gains in Europe and North America.

Earnings

EBITDA before special items declined by 15.5% to €305 million in the fourth quarter of 2025 (Q4 2024: €361 million). Earnings were mainly impacted by the decline in sales as well as a negative currency effect of €24 million (Q4 2024: positive currency effect of €10 million). We also registered higher investments in marketing our products as well as an increase in the cost of goods sold. However, we were able to partially offset these effects thanks to our continuous cost and price management efforts as well as higher income from the sale of minor, nonstrategic brands. The EBITDA margin before special items declined by 2.1 percentage points to 20.9%.

EBIT at Consumer Health amounted to €184 million (Q4 2024: €442 million) after special charges of €25 million (Q4 2024: net special gains of €184 million) relating to restructuring.

2.2.3 Value-Based Performance

A 2.2.3/1

Value-based performance

	Crop Science		Pharmaceuticals		Consumer Health		Group[2]	
€ million	2024	2025	2024	2025	2024	2025	2024	2025
EBIT[1]	(2,756)	(2,532)	2,790	3,127	1,028	912	(71)	(1,077)
Income taxes[3]	661	608	(670)	(750)	(247)	(219)	17	258
NOPAT[1]	(2,095)	(1,924)	2,120	2,377	781	693	(54)	(819)
Average capital employed[1]	35,394	29,678	20,940	19,833	9,762	9,753	64,954	58,055
ROCE[1]	–5.9%	–6.5%	10.1%	12.0%	8.0%	7.1%	–0.1%	–1.4%
WACC[1, 4]	6.5%	7.0%	6.5%	7.0%	6.5%	7.0%	6.5%	7.0%

[1] For definition see A 2.3 "Alternative Performance Measures Used by the Bayer Group."
[2] Including the Reconciliation
[3] 24% on EBIT; based on historical average of tax rates
[4] At the divisional level, ROCE is compared with the WACC of the Bayer Group as we do not report WACC for the individual divisions.

Bayer's ROCE amounted to minus 1.4% in 2025 (2024: minus 0.1%) and was therefore significantly below the cost of capital (7.0%).

The Crop Science Division registered a slight improvement in EBIT thanks to lower special items, while the average capital employed declined, largely due to the impairment losses recorded in 2024 and the allocations to provisions for litigations recognized in 2025. As such, ROCE amounted to minus 6.5%.

At Pharmaceuticals, EBIT was up significantly year on year, while the average capital employed declined slightly. As a result, ROCE increased overall.

At Consumer Health, the average capital employed was roughly at the prior-year level, while EBIT decreased due to special charges in 2025, with profit before special items having remained stable. This resulted in a decline in ROCE.

The following overview shows the components of the average capital employed used in calculating ROCE.

A 2.2.3/2

Components of capital employed[1]

€ million	Dec. 31, 2024	Dec. 31, 2025
Goodwill	30,016	28,061
Other intangible assets	22,112	20,622
Property, plant and equipment	13,456	12,649
Other financial assets[2]	140	228
Inventories	13,467	12,378
Trade accounts receivable	8,966	9,077
Other receivables[2]	2,119	1,931
Deferred tax assets[2]	4,979	4,855
Claims for income tax refunds	1,480	1,504
Assets held for sale	22	23
Gross capital employed	**96,757**	**91,328**
Other provisions[2]	(10,921)	(15,590)
Trade accounts payable	(7,518)	(7,081)
Other liabilities[2]	(2,933)	(3,520)
Refund liabilities	(5,914)	(5,648)
Contract liabilities	(3,955)	(3,903)
Financial liabilities[2]	(18)	(5)
Deferred tax liabilities[2]	(673)	(672)
Income tax liabilities	(1,893)	(1,732)
Capital employed[1]	**62,932**	**53,177**
Average capital employed[1]	**64,954**	**58,055**

[1] For definition see A 2.3 "Alternative Performance Measures Used by the Bayer Group."
[2] Selected items forming part of the line item in the statement of financial position; items that were predominantly non-interest-bearing or nonoperating in nature were eliminated from capital employed.

2.2.4 Asset and Financial Position of the Bayer Group

Financial management of the Bayer Group

The financial management of the Bayer Group is conducted centrally. Capital is a global resource, generally procured centrally and distributed within the Bayer Group. The foremost objectives of our financial management are to help bring about a sustained increase in corporate value and to ensure the Group's liquidity and creditworthiness. This involves optimizing the capital structure and effectively managing risks. The management of currency, interest-rate, commodity-price and default risks helps to reduce the volatility of our earnings.

The contracted rating agencies assess Bayer as follows:

A 2.2.4/1

Rating

Rating agency	Long-term rating	Short-term rating	Outlook
S&P Global Ratings	BBB	A-2	negative
Moody's	Baa2	P-2	negative
Fitch Ratings	BBB	F3	negative

These investment grade ratings from all three agencies reflect the company's solid solvency profile and ensure access to a broad investor base for financing purposes. We have the ambition to reduce our financial debt considerably in the medium term, to increase profit and cash flow, and to improve our current investment grade ratings toward the "A" category.

As a matter of principle, we pursue a prudent debt management strategy to ensure flexibility, drawing on a balanced financing portfolio. This is fundamentally based on bonds in various currencies, syndicated credit facilities, bilateral loan agreements and a global commercial paper program.

We use financial derivatives to hedge against risks arising from business operations or financial transactions but do not employ contracts in the absence of an underlying transaction. It is our policy to diminish default risks by selecting trading partners with a high credit standing. We closely monitor the execution of all transactions, which are conducted in accordance with Group-wide policies.

Liquidity and capital expenditures of the Bayer Group

A 2.2.4/2

Bayer Group summary statements of cash flows

€ million	Q4 2024	Q4 2025	2024	2025
Net cash provided by (used in) operating activities (total)	**4,997**	**4,202**	**7,368**	**5,930**
Net cash provided by (used in) investing activities (total)	**(1,294)**	**(518)**	**164**	**(1,270)**
Net cash provided by (used in) financing activities (total)	**(2,109)**	**(2,891)**	**(7,178)**	**(3,884)**
Change in cash and cash equivalents due to business activities	**1,594**	**793**	**354**	**776**
Cash and cash equivalents at beginning of period	**4,619**	**5,897**	**5,907**	**6,191**
Change due to exchange rate movements and to changes in scope of consolidation	(22)	(19)	(70)	(296)
Cash and cash equivalents at end of period	**6,191**	**6,671**	**6,191**	**6,671**

Net cash provided by operating activities

Net operating cash flow amounted to €5,930 million in 2025 (2024: €7,368 million). Payments to resolve legal proceedings, which primarily related to the PCB and glyphosate litigations, resulted in a net outflow of €1,175 million (2024: €461 million). That total comprised payments resulting from settlement agreements as well as court judgments.

Net cash used in investing activities

Net cash used in investing activities in 2025 amounted to €1,270 million (2024: net cash of €164 million was provided by investing activities). Net cash inflows from current financial assets totaled €696 million (2024: €2,558 million) and primarily arose from the sale of investments in money market funds. Cash outflows for property, plant and equipment and intangible assets amounted to €2,487 million (2024: €2,778 million). Cash inflows from the sale of property, plant and equipment and other assets amounted to €415 million (2024: €295 million) and mainly resulted from the sale of product rights (€146 million) for Testoviron™, Progynova™ and Cyclo-Progynova™ in Europe/Middle East/Africa, and for Ilomedin™/Ilomedine™, as well as from the divestment of production facilities and office buildings at various sites. Net cash inflows from noncurrent financial assets totaled €144 million (2024: €18 million) and were largely attributable to the sale of shares in Capstan Therapeutics, Inc., United States. Cash outflows for acquisitions, less acquired cash, amounted to €196 million (2024: €184 million) and primarily related to the acquisition of Natsana GmbH, Germany, in the first quarter of 2025.

Net cash used in financing activities

There was a net cash outflow of €3,884 million for financing activities (2024: €7,178 million). This figure included net debt repayments of €2,045 million (2024: €5,018 million). Net interest payments decreased to €1,698 million (2024: €1,972 million). The Bayer Group paid out €127 million in dividends (2024: €131 million).

Free cash flow

Free cash flow (total), which is the total operating cash flow less capital expenditures plus interest and dividends received less interest paid, came in at €2,084 million in 2025 (2024: €3,107 million).

Capital expenditures

A 2.2.4/3

Cash flow-relevant capital expenditure for property, plant and equipment and for intangible assets

€ million	2024	2025
Crop Science	1,162	1,009
Pharmaceuticals	1,175	870
Consumer Health	187	182
Reconciliation	254	426
Group[1]	**2,778**	**2,487**

[1] Group total including continuing and discontinued operations

Crop Science continuously invests in a variety of projects within its global production network for crop protection products and seeds, as well as in research, development and digital transformation. The largest capital expenditure projects in 2025 included the expansion of research and development facilities at the site in Monheim, Germany (around €91 million). Crop Science also invested in the expansion of fungicide production in Dormagen, Germany (around €32 million). In addition, approximately €20 million in capital expenditures were invested to consolidate the Creve Coeur campus and transition operational activities to the Chesterfield campus in St. Louis. The division also continued to invest in the sourcing of an important raw material used in the production of glyphosate at the site in Soda Springs, United States, in 2025, albeit at a temporarily reduced level (around €7 million). Alongside these projects, the development of digital solutions for our customers was a key investment in 2025 and will remain so in the coming years.

The **Pharmaceuticals** Division's most significant investments in property, plant and equipment in 2025 were directed toward cell and gene therapy research and production facilities in the United States, Spain, Germany, the United Kingdom and Canada, amounting to approximately €37 million. Additional substantial expenditures included modernization initiatives within the production network of the product supply organization at the sites in Turku, Finland, as well as Leverkusen and Weimar, Germany, totaling around €30 million. In addition, approximately €30 million was invested in constructing a new solids production facility in Leverkusen, Germany. Capital expenditures for intangible assets amounted to approximately €364 million and mainly pertained to cooperation agreements and licensing activities.

At about €29 million, the **Consumer Health** Division's most significant capital expenditure project in 2025 concerned the relocation of existing production facilities to a new site in Qidong, China. Further significant capital spending related to the plant expansion at the Lerma site in Mexico, to facilitate the production of over-the-counter (OTC) nasal sprays and oral liquid products (€22 million). Consumer Health also invested some €15 million in the good manufacturing practice (GMP) upgrade program across its global production sites.

A 2.2.4/4

Material capital expenditures for property, plant and equipment

		2024	2025
Crop Science	Expansion of fungicide production capacities in Dormagen, Germany	Ongoing	Ongoing
	Expansion of research and development facilities in Monheim, Germany	Ongoing	Ongoing
	Sourcing of a raw material used in the production of glyphosate in Soda Springs, United States	Ongoing	Ongoing
	Implementation of sustainability measures in Soda Springs, United States	Ongoing	Completed
	Expansion of corn seed production capacities in Pochuyki, Ukraine	Ongoing	Completed
	Relocation of a production site in Hangzhou, China	Ongoing	Completed
	Construction of a production site to increase seed production capacities in Lusaka, Zambia	Ongoing	Completed
	Consolidation of the Creve Coeur campus and transition of operational activities to the Chesterfield campus, St. Louis, United States	Initiated	Ongoing
	Construction of a new administration building in Luling, United States	Initiated	Ongoing
	Global program to enhance sustainability of production facilities		Initiated
Pharmaceuticals	Construction of research and production facilities for cell and gene therapies in various countries including the United States, Spain, Germany, Canada and the United Kingdom	Ongoing	Ongoing
	Modernization of production facilities at various sites across the production network (Leverkusen and Weimar, Germany; Turku, Finland)	Ongoing	Ongoing
	Construction of a new production facility for solid launch products in Leverkusen, Germany	Ongoing	Ongoing
	Modernization of production facilities in Berlin, Germany, with a focus on the radiology portfolio and other parenteral products	Ongoing	Ongoing
	Integration of investigational drug production into the new production facility for launch products in tablet form in Leverkusen, Germany	Ongoing	Ongoing
	Construction of a new production site in Costa Rica	Ongoing	Completed
	Collaboration agreements and in-licensing activities	Ongoing	Ongoing
Consumer Health	Upgrade of global production site facilities to new GMP standards	Ongoing	Ongoing
	Relocation of existing production facilities to a new site in Qidong, China	Ongoing	Ongoing
	Expansion of production capacities in Lerma, Mexico	Ongoing	Ongoing

Liquid assets and net financial debt

A 2.2.4/5

Net financial debt[1]

€ million	Dec. 31, 2024	Dec. 31, 2025	Change (%)
Bonds and notes	38,226	33,310	–12.9
of which hybrid bonds[2]	4,600	4,522	–1.7
Liabilities to banks[3]	1,223	1,857	+51.8
Lease liabilities	1,248	1,286	+3.0
Liabilities from derivatives[4]	67	137	+104.5
Other financial liabilities	47	989	.
Receivables from derivatives[4]	(262)	(76)	–71.0
Financial debt	**40,549**	**37,503**	**–7.5**
Cash and cash equivalents	(6,191)	(6,671)	+7.8
Current financial assets[5]	(1,732)	(989)	–42.9
Net financial debt[1]	**32,626**	**29,843**	**–8.5**

[1] For more information, see A 2.3 "Alternative Performance Measures Used by the Bayer Group."
[2] Classified as debt according to IFRS
[3] Including both financial and nonfinancial liabilities
[4] Including the market values of interest-rate and currency hedges of recorded transactions
[5] Including short-term receivables with maturities between 3 and 12 months outstanding from banks and other companies as well as financial investments in debt and equity instruments that were recorded as current on first-time recognition

The Bayer Group's net financial debt decreased by €2.8 billion to €29.8 billion in 2025, mainly due to cash inflows from operating activities and positive currency effects.

Financial debt included six subordinated hybrid bonds with a total volume of €4.5 billion, 50% of which is treated as equity by three contracted rating agencies. As such, the hybrid bonds have a positive impact on the Group's rating-specific debt indicators.

In 2025, Bayer AG issued additional bonds on the Chinese capital market. One issuance had a volume of CNY 2 billion (€264 million), a maturity of three years and a coupon of 2.4%. In addition, two bonds with a volume of CNY 1 billion (€119 million) each, as well as maturities of three and five years and coupons of 2.0% and 2.2%, respectively, were issued. Furthermore, Bayer AG issued a floating rate note in the amount of €400 million with a maturity of two years. The floating rate was set at three-month Euribor plus 57 basis points. In addition, Bayer AG issued two bonds on the Swiss capital market. The bonds amounting to CHF 140 million (€149 million) and CHF 125 million (€133 million) had maturities of five and nine years and fixed coupons of 1.1% and 1.7%, respectively.

In 2025, Bayer AG repaid €83 million in hybrid bonds maturing in 2079 (callable on February 12, 2025).

In addition, bonds with volumes of US$3.1 billion (€2.7 billion) and €1.2 billion were redeemed at maturity in 2025.

The other financial liabilities as of December 31, 2025, included €938 million in commercial paper.

Asset and capital structure of the Bayer Group

A 2.2.4/6

Bayer Group summary statements of financial position

€ million	Dec. 31, 2024	Dec. 31, 2025	Change (%)
Noncurrent assets	**76,406**	**71,630**	**–6.3**
Current assets	**34,444**	**32,911**	**–4.5**
Total assets	**110,850**	**104,541**	**–5.7**
Equity	**32,045**	**26,063**	**–18.7**
Noncurrent liabilities	49,853	45,893	–7.9
Current liabilities	28,952	32,585	+12.5
Liabilities	**78,805**	**78,478**	**–0.4**
Total equity and liabilities	**110,850**	**104,541**	**–5.7**

Between December 31, 2024, and December 31, 2025, total assets decreased by €6.3 billion to €104.5 billion.

// Noncurrent assets fell by €4.8 billion to €71.6 billion during the year, primarily due to foreign currency effects impacting goodwill, intangible assets and property, plant and equipment.
// Total current assets declined by €1.5 billion to €32.9 billion, also mainly due to foreign currency effects. Furthermore, there was a €0.7 billion decline in money market funds, which are recognized under "Other financial assets."
// Equity decreased by €6.0 billion to €26.1 billion during the year. For information on the acquisition and sale of own shares, please see Note [22] "Equity" of the Bayer AG Financial Statements as of December 31, 2025. The main negative factors behind the change in equity included the negative income after income taxes (–€3.6 billion), the currency translation of equity items (–€2.9 billion), and the dividend payment (–€0.1 billion), while positive factors included changes – recognized outside profit or loss – arising from the remeasurement of the net defined benefit liability (+€0.6 billion). The equity ratio fell to 24.9% (December 31, 2024: 28.9%).

// Liabilities declined by €0.3 billion to €78.5 billion. This was mainly attributable to the decrease in financial liabilities (–€3.3 billion, comprising –€4.0 billion attributable to the redemption of bonds, +€1.1 billion to the issuance of new bonds, +€1.0 billion to the issuance of commercial paper, +€0.7 billion to the increase in liabilities to banks, and –€2.3 billion to foreign currency effects). Provisions for pensions and other post-employment benefits declined by €1.2 billion, largely due to the increase in the discount rate for pension obligations in Germany. Miscellaneous provisions increased by €4.6 billion overall (mainly for litigations). Furthermore, an amount of €1.0 billion for settlement payments in connection with litigations was reclassified from provisions for litigations to other liabilities.
// The Bayer Group utilizes a supply chain financing program (also known as reverse factoring) that enables suppliers to choose to have individual invoices paid prior to their due date. As part of this program, the supplier concludes a financing agreement with a bank or platform operator without Bayer's involvement and, upon request, is paid the invoice amount by the bank in advance less an interest component. Bayer generally pays the invoice amount to the bank when due; the payment deadlines lie within the usual scope for the industry. Bayer has assessed this program based on various criteria and concluded that the associated liabilities retain the character of trade accounts payable. The related payments to the bank are therefore classified as a cash outflow from operating activities.

2.3 Alternative Performance Measures Used by the Bayer Group

The Combined Management Report and the Consolidated Financial Statements of the Bayer Group are prepared according to the applicable accounting standards. In addition to the disclosures and metrics these require, we also publish alternative performance measures (APMs) that are not defined or specified in these standards and for which there are no generally accepted definitions within regulatory frameworks. We calculate APMs to enable a comparison of performance indicators over time and against those of other companies in its industry sectors. These APMs are calculated by making certain adjustments to items in the statement of financial position or the income statement prepared according to the applicable accounting standards. Such adjustments may result from differences in calculation or measurement methods, nonuniform business activities or special factors affecting the information value of these items. The APMs determined in this way apply to all periods and are used both internally for business management purposes and externally by analysts, investors and rating agencies to assess the company's performance. We determine the following APMs:

// Change in sales (reported, currency-adjusted, currency- and portfolio-adjusted)
// EBITDA
// EBITDA before special items
// EBITDA margin before special items
// EBIT
// EBIT before special items
// Clean depreciation and amortization
// Core earnings per share
// Net financial debt
// Return on capital employed (ROCE)
// Net operating profit after tax (NOPAT)
// Capital employed
// Weighted average cost of capital (WACC)
// Free cash flow
// Forecast key financial data

The **(reported) change in sales** is a relative indicator. It shows the percentage by which sales varied from the previous year.

The **currency-adjusted or currency- and portfolio-adjusted change in sales** shows the percentage change in sales excluding the impact of exchange rate effects and, in the latter case, disregarding material acquisitions and divestments as well. Exchange rate effects are generally calculated on the basis of the functional currency valid in the respective country. An exception existed in Argentina, primarily in our crop protection business, where the currency effect was calculated on the basis of the US dollar instead of the functional currency.

EBITDA (earnings before interest, taxes, depreciation and amortization) encompasses earnings before the financial result, taxes, depreciation and impairment losses/loss reversals on property, plant and equipment, impairment losses on goodwill, and amortization and impairment losses/loss reversals on other intangible assets. This performance indicator neutralizes the effects of the financial result along with distortions of operational performance that result from divergent depreciation and amortization methods and the exercise of measurement discretion. EBITDA is EBIT plus the amortization of intangible assets and the depreciation of property, plant and equipment, plus impairment losses and minus impairment loss reversals, recognized in profit or loss during the reporting period.

EBIT (earnings before interest and taxes) serves to present a company's performance while eliminating the effects of differences between local taxation systems and different financing activities.

EBITDA before special items and **EBIT before special items** show the development of the operational business irrespective of special items, i.e. effects relating to the steering of the Bayer Group that are not of a regular nature and magnitude. To constitute a special item within these metrics, such effects must exceed pre-defined thresholds. These effects may include acquisition costs, divestments, litigations, restructuring, integration costs, impairment losses and impairment loss reversals. In the calculation of EBIT before special items and EBITDA before special items, special charges are added and special gains subtracted. **Clean depreciation and amortization** exclude the effect of (corresponding) special items on the depreciation and amortization figures.

The **EBITDA margin before special items** is a relative indicator that we use for internal and external comparisons of operational earnings performance. It is the ratio of EBITDA before special items to net sales.

The APM **core earnings per share (core EPS)** from continuing operations is based on the concept of earnings per share (EPS) as defined in IAS 33.

Core EPS is calculated using the following method: Based on EBIT (as per the income statements), the special items, impairment losses on goodwill, amortization/impairment losses/loss reversals on other intangible assets, impairment losses/loss reversals on property, plant and equipment and the accelerated depreciation included in special items are neutralized to determine **core EBIT**. This enables a comparison of performance over time. Core EBIT is reconciled to **core net income from continuing operations**. This is calculated by adding the core financial result to core EBIT. Special items in the financial result include nonrecurring financial expenses or income that are not part of our normal financing activities. These primarily pertain to changes in the fair value of equity instruments that are not held for medium- or long-term strategic purposes, as well as to nonrecurring financial expenses or income arising from acquisitions, divestments and litigations. Income taxes – net of special items – are then deducted from this figure to give core net income. Special items relating to income taxes include material effects from tax reforms, among other things.

Core EPS is then calculated by dividing core net income by the weighted average number of shares.

As core EPS is calculated for each interim reporting period, core EPS for the fiscal year or for each interim reporting period up to the respective closing date may deviate from the cumulated core EPS for the individual interim reporting periods.

Net financial debt is an important financial management indicator for the Bayer Group and is used both internally and externally in assessing its liquidity, capital structure and financial flexibility.

The **return on capital employed (ROCE)** measures the capital return over a specified period and is employed as a strategic indicator to evaluate value creation. It is the ratio of **net operating profit after taxes (NOPAT)** to the average **capital employed** in a fiscal year. NOPAT is calculated by subtracting income taxes from EBIT. Income taxes are calculated by multiplying EBIT by a uniform tax rate that is based on a historical average of tax rates.

The **capital employed** by Bayer is the total carrying amount of operational noncurrent and current assets, minus liabilities that are largely non-interest-bearing in character and/or would distort the capital base. An average value, calculated from the values at the end of the prior year and of the reporting year, is used to depict the change in capital employed during the reporting year.

The ROCE is compared to the **weighted average cost of capital (WACC)**, which is the return expected by the providers of equity and debt. If the ROCE exceeds the WACC, return expectations have been exceeded, indicating that value has been created.

The WACC is based on an after-tax approach and calculated at the start of the year as the weighted average of the equity and debt cost factors. The cost of equity is determined using the capital asset pricing model (CAPM), while the debt-capital cost factor is calculated based on the average returns of 10-year German federal bonds and credit spreads derived from the average returns on 10-year USD bonds issued by industrial companies. Further information on the segment-specific capital cost factors used in impairment testing is provided in Note [4] to B Consolidated Financial Statements.

Free cash flow (FCF) is an alternative performance measure that is based on the cash flow from operating activities under IAS 7. FCF illustrates the cash flows available for paying dividends and reducing debt as well as for investing in innovation and acquisitions. It is calculated by subtracting cash outflows for additions to property, plant and equipment and intangible assets from the cash flow from operating activities from continuing and discontinued operations, adding interest and dividends received along with interest received from interest-rate swaps, and deducting interest paid including interest-rate swaps.

The forward-looking key performance indicators published in the **forecast for key financial data** are based on data that is determined in the course of our planning process. The key financial data in the forecast is determined in accordance with the applied accounting policies and with the calculation models for alternative performance measures described in this chapter.

From 2026, we will be updating the way we calculate **core earnings per share (core EPS) from continuing operations**. In addition to the depreciation of property, plant and equipment that is already accounted for as part of the approach outlined above, the updated method for calculating this metric will also factor in the amortization of certain intangible assets, in particular software.

3. Report on Future Perspectives and on Opportunities and Risks

3.1 Future Perspectives

3.1.1 Economic Outlook

Global economy to see below-average growth again

Based on International Monetary Fund (IMF) data, we expect global economic growth to pick up slightly yet remain at a below-average, low single-digit percentage in 2026[20]. Uncertainties around international trade policy are set to weigh on growth. By contrast, tailwinds are expected to come from rising investments in technology (including artificial intelligence), especially in the United States and Asia.

We expect the global **seed and crop protection market** to remain flat or experience modest expansion in 2026, falling within a currency-adjusted range of 0% to 3%[21] (2025: +2%). Following a record 2025, the corn seed market is set to return to a normalized level, especially in the United States. In Latin America, we expect the soybean and corn seed market to again see moderate growth. On a global level, the soybean and cotton seed segments are projected to recover. Meanwhile, the crop protection market is again expected to lag behind the growth of the seed market, with growth segments in Asia, such as corn, rice, fruit and vegetables, partially offsetting the flat or negative developments anticipated in Europe/Middle East/Africa and North America. The main headwinds are expected to include ongoing pressure on prices arising from intense competition and generics, along with regulatory risks and bans on key active substances in Europe/Middle East/Africa. The volatile geopolitical situation remains a source of uncertainty when evaluating markets and will require continuous analysis.

We expect the **pharmaceuticals market** to experience currency-adjusted growth of approximately 8%[22, 23] in 2026 (2025: +9%). Market expansion will largely be fueled by new and existing products, especially in the United States and to a lesser extent the European Union. By contrast, the loss of exclusivity for established brands and lower costs for generics and biosimilars are expected to offset some of that growth.

In an uncertain geopolitical environment, we expect the **consumer health market** to grow by a currency-adjusted 3 to 4%[24] in 2026 (2025: +3%), again led by Europe/Middle East/Africa and Latin America. For the United States and China, we expect the market environment to remain challenging. All categories are expected to grow, led by nutritionals, dermatology and digestive health.

3.1.2 Corporate Outlook

The following forecast is based on the current business development and our internal planning. To enhance the comparability of operational performance, we are also presenting this guidance on a currency-adjusted basis, applying the average monthly exchange rates from 2025.

Overall, it should be noted that a 1% appreciation (depreciation) of the euro against all other currencies would decrease (increase) sales by some €350 million and reduce (increase) net financial debt by around €110 million on an annual basis.

Our **free cash flow** guidance primarily reflects planned payouts in connection with litigations, which are expected to amount to approximately €5 billion in 2026.

[20] Source: International Monetary Fund (as of January 2026)
[21] Source: Bayer's estimate (as of January 2026), plus various local sources
[22] Source: IQVIA Market Prognosis (as of September 2025); all rights reserved
[23] Source: IQVIA The Global Use of Medicines Outlook through 2029 (as of June 2025); all rights reserved
[24] Source: Bayer's estimate (as of November 2025), taking into account external sources

Please also note that, from fiscal 2026, we will be updating the way we calculate **core earnings per share (core EPS) from continuing operations**[25] in order to provide enhanced transparency around our current operational performance. In addition to the depreciation of property, plant and equipment that is already accounted for as part of the existing approach, the updated method for calculating this metric will also factor in the amortization of certain intangible assets, in particular software. Had the new method been applied for 2025, **core EPS from continuing operations** would have amounted to €4.57 (compared with €4.91 based on the existing approach). To enhance comparability, our 2026 guidance applies the updated method for determining the 2025 figure for this KPI.

A 3.1.2/1

Forecast for 2026

	2025 figures		2026 currency-adjusted forecast		2026 forecast at closing rates on Dec. 31, 2025	
	€ billion	**Fx & p adj. change (%)**	**€ billion**	**Fx & p adj. change (%)**	**€ billion**	**Fx & p adj. change (%)**
Sales	**45.6**	**+1.1**	**45 to 47**	**0 to +3**	**44 to 46**	**0 to +3**
Crop Science	21.6	+1.1		0 to +3		0 to +3
Pharmaceuticals	17.8	+1.7		0 to +3		0 to +3
Consumer Health	5.8	–0.1		0 to +4		0 to +4
		Margin (%)		Margin (%)		Margin (%)
EBITDA before special items[1]	**9.7**	**21.2**	**9.6 to 10.1**		**9.1 to 9.6**	
Crop Science	4.2	19.4		20 to 22		19 to 21
Pharmaceuticals	4.5	25.4		23 to 25		23 to 25
Consumer Health	1.3	23.1		22 to 24		22 to 24
Depreciation and amortization (core)[2]	**–2.0**		**–2.1**		**–2.1**	
Financial result (core)[3]	**–1.5**		**–1.9 to –1.7**		**–1.9 to –1.7**	
Tax rate (core)[4]	**25.9%**		**24 to 26%**		**24 to 26%**	
Free cash flow[1]	**2.1**		**–2.5 to –1.5**		**–2.5 to –1.5**	
Net financial debt[1]	**29.8**		**32.0 to 33.0**		**32.0 to 33.0**	
Special items in EBIT	–6.2		–1.0 to 0.0		–1.0 to 0.0	
Special items in EBITDA	–8.0		–1.0 to 0.0		–1.0 to 0.0	
	€		€		€	
Core earnings per share[1]	**4.57**		**4.30 to 4.80**		**4.00 to 4.50**	

Fx & p adj. = currency- and portfolio-adjusted

[1] For definition see A 2.3 "Alternative Performance Measures Used by the Bayer Group."

[2] Amortization of certain intangible assets (especially software) and depreciation of tangible assets

[3] Financial result before special items

[4] (Income taxes + special items in income taxes + tax effects on adjustments) / (core EBIT + financial result + special items in financial result)

Potential estimation risks regarding special charges in connection with litigations are referenced in A 3.2 Opportunity and Risk Report.

[25] For previous definition, see A 2.3 "Alternative Performance Measures Used by the Bayer Group."

3.2 Opportunity and Risk Report

3.2.1 Group-wide Opportunity and Risk Management System

As a global life science enterprise, we are exposed to a wide range of internal and external developments and events that could significantly impact the achievement of our financial and nonfinancial objectives. Opportunity and risk management is therefore an integral part of corporate steering at Bayer. We regard opportunities as positive deviations, and risks as negative deviations, from projected or target values for potential future developments. We augment our risk definition process by also taking into account any potential adverse effects that our business operations could have on people and/or the environment.

Opportunity management system

As part of our annual planning activities, we identify opportunities by analyzing internal and external factors that may affect our business. These may be factors of a social, economic or environmental nature, for example. Our planning process involves a comprehensive analysis of the markets. We build on this by analyzing the respective market environments to identify opportunities. We use different time periods across our various planning activities since trends or developments may impact our business over the shorter or longer term. In addition, we identify and leverage opportunities as part of our regular business operations and through our daily monitoring of internal processes and markets. Depending on developments, factors affecting our business, such as market risks, may result in either risks or opportunities.

Risk management system

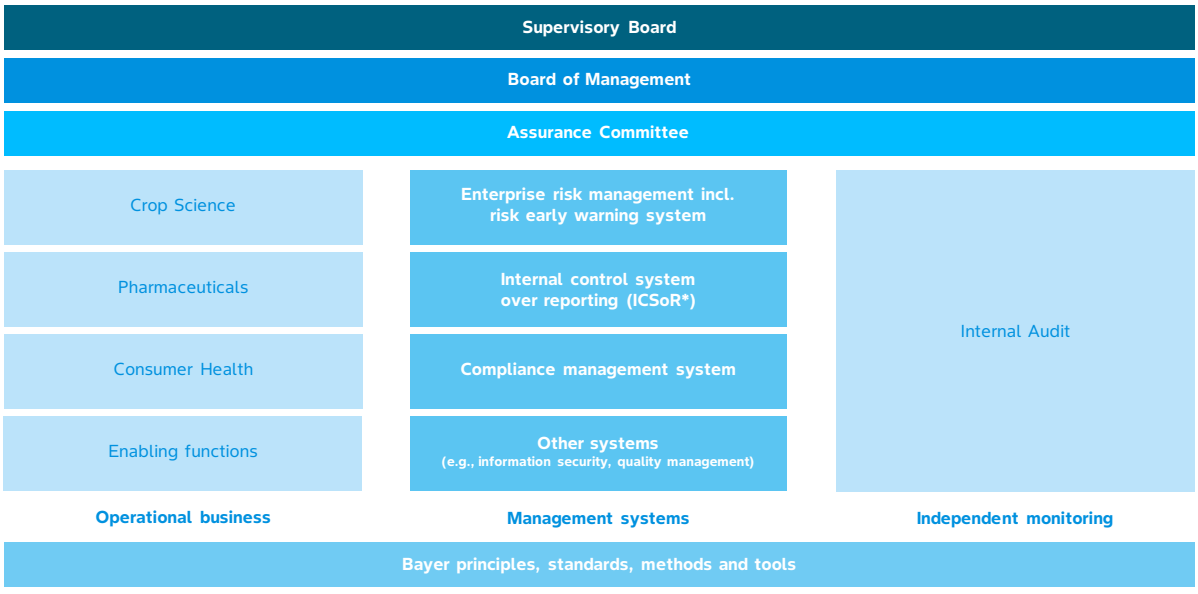
We have implemented a holistic and integrated risk management system designed to ensure the continued existence and future target attainment of the Group through the early identification and assessment of and response to risks.

Our risk management system is aligned toward internationally recognized standards and principles, such as the ISO 31000 risk management standard of the International Organization for Standardization, and is defined and implemented with the help of binding Group regulations.

Structure of Bayer's risk management system

A 3.2.1/1

Structure of the risk management system



* The ICSoR consists of the internal control system over financial reporting (ICSoFR) and the internal control system over sustainability reporting (ICSoSR)

The **Board of Management** of Bayer AG holds overall responsibility for maintaining an effective risk management system. It examines the appropriateness and effectiveness of the risk management system at least once a year, as does the Supervisory Board's Audit Committee. In addition, a corresponding report is provided to the full Supervisory Board.

The **Assurance Committee** is chaired by the Chief Financial Officer, with a second Board of Management member participating on a rotating basis. Besides ensuring that appropriate action is taken to control any substantial risks, the Assurance Committee regularly discusses and reviews the risk portfolio and the status of risk control measures.

Responsibility for identifying, assessing, responding to and communicating risks lies with the **operational business units** in the divisions and enabling functions.

Enterprise risk management (ERM), including risk early warning system

As per Section 91, Paragraph 2 of the German Stock Corporation Act (AktG), companies are required to operate a risk early warning system to ensure they identify, at an early stage, any developments that are material and/or could endanger their continued existence. We meet this requirement through our enterprise risk management (ERM) system, which establishes a consistent framework and uniform standards for the risk early warning system throughout the Bayer Group.

The Enterprise Risk Management department within the Internal Audit & Risk Management Enabling Function steers and coordinates the ERM system. It provides overarching standards, methods and tools, is responsible for the risk early warning system, steers the annual ERM process and works on ensuring continuous monitoring and improvement. For further details, see Chapter A 3.2.1, section "Basic elements of the Bayer risk management system," and specifically "ERM: risk management process" and "ERM: monitoring and improvement." The ERM department also ensures reporting to the Assurance Committee, the Board of Management, the Supervisory Board and the Audit Committee of the Supervisory Board.

Internal control system for (Group) accounting and financial reporting

(Report pursuant to Section 289, Paragraph 4 and Section 315, Paragraph 4 of the German Commercial Code, HGB)

As part of the comprehensive risk management system, we have an internal control system over financial reporting (ICSoFR) in place for the (Group) accounting and financial reporting process. This system comprises suitable structures and workflows that are defined and implemented throughout the organization. The purpose of our ICSoFR is to ensure proper and effective accounting and (Group) financial reporting in compliance with the legal requirements and in accordance with the relevant reporting principles. The ICSoFR is designed to guarantee timely, uniform and accurate recording and documentation of all business transactions based on applicable statutory regulations, accounting and financial reporting standards, and the internal Group regulations that are binding for all consolidated companies. Risks are identified and assessed, and appropriate countermeasures are taken to mitigate them. Mandatory Group-wide standards such as system-based and manual reconciliation processes and functional separation have been derived from these frameworks and promulgated throughout the Bayer Group. These standards are implemented by the Bayer Group companies. Ensuring compliance with these standards is the responsibility of the respective management teams. However, it should be noted that, irrespective of its design, an internal control system cannot provide absolute assurance that material misstatements in the financial reporting will be avoided or identified.

Compliance management system

Trust serves as the foundation for our business activities and is crucial to our success. It requires a daily commitment to building awareness and ensuring compliance with laws, regulations and ethical principles. Integrity is a central element of our corporate culture and guides our actions. Our Code of Conduct serves as a compass for maintaining compliance with all applicable legal requirements.

We have implemented an effective compliance management system (CMS) to promote and strengthen compliant conduct. The CMS is managed by a central compliance organization that is headed by our General Counsel in their role as Group Compliance Officer. In this function, the Group Compliance

Officer reports directly to the Chief Financial Officer (CFO) and the Supervisory Board's Audit Committee. The CFO is responsible for the compliance organization, while the Audit Committee oversees the effectiveness and further development of compliance within the Group.

As part of the CMS, potential compliance risks are identified, assessed and recorded together with the operational functions. We use policies, procedures, training courses and controls to integrate preventive measures into daily business activities. The respective training courses are mandatory, with our employees required to complete them on time. We also provide information, adequate resources and guidance to support all employees in acting with integrity and proactively avoiding potential violations.

Compliance with laws and company regulations is monitored as part of analyses and reviews conducted by the Law, Patents & Compliance department as well as audits performed by Internal Audit. The heads of these organizations provide regular reports on the results to the Audit Committee. Audits are planned according to a function- and risk-based approach.

We foster a culture of openness and transparency. We encourage employees and third parties to raise their concerns regarding compliance. They can use our global Speak Up Channel, which gives them the opportunity to report suspected compliance violations confidentially and, where permitted by local law, anonymously. They can also contact the compliance department directly via Speak.Up@Bayer.com. If employees believe an activity or behavior could represent a material compliance violation, they have an obligation to report it. In the case of suspected violations, we conduct thorough investigations to conclusively verify whether any such violation has taken place. Confirmed violations are sanctioned according to our internal standards. Depending on the severity of the compliance violation, it can have disciplinary, civil or criminal consequences for the employees in question, including implications for their compensation.

The various elements of the CMS promote a positive compliance culture throughout our organization and help to ensure integrity in the day-to-day business activities of every employee.

Independent internal and external monitoring

The Internal Audit department conducts independent, risk-based and objective audit activities, employing a targeted and systematic approach to assess and help improve the effectiveness of corporate governance, risk management and monitoring processes. The mandate of Internal Audit, its tasks and responsibilities, as well as its position within the Bayer Group are defined and established in the Internal Audit Charter. The department's management adheres to the mandatory elements of the International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors (IIA). The Chief Audit Executive (CAE) regularly reports to the Board of Management and the Audit Committee on Internal Audit's compliance with these standards. The CAE also regularly reports to the Board of Management and Audit Committee on the results of the audit assignments, as well as on Internal Audit's quality assurance and improvement program. This includes aspects such as relevant results of internal and external quality assessments carried out at least once every five years by a qualified independent external assessor. The most recent assessment was concluded in the fourth quarter of 2022, yielding the best results possible.

In addition, the fundamental suitability of the early warning system is assessed by the external auditor as an independent external body as part of its audit of the annual financial statements.

Basic elements of the Bayer risk management system

Objectives of the risk management system

The risk management system is largely aimed at protecting the Bayer Group against significant risks. We therefore place great emphasis on maintaining compliance with legal and regulatory requirements, ensuring proactive risk management, and promoting our risk culture.

All levels of the company are included in risk management in order to heighten the awareness and understanding of risks. This lays the foundation for a risk culture with independent, proactive and systematic risk management involving clearly defined roles and responsibilities, principles, standards,

methods, tools and training measures. Building this risk culture and promoting proactive risk management are the basis for generating risk transparency around the material risks within the Group. The risk management system helps us deliver on our commitment to pursue opportunities while taking account of the related risks in our business decisions.

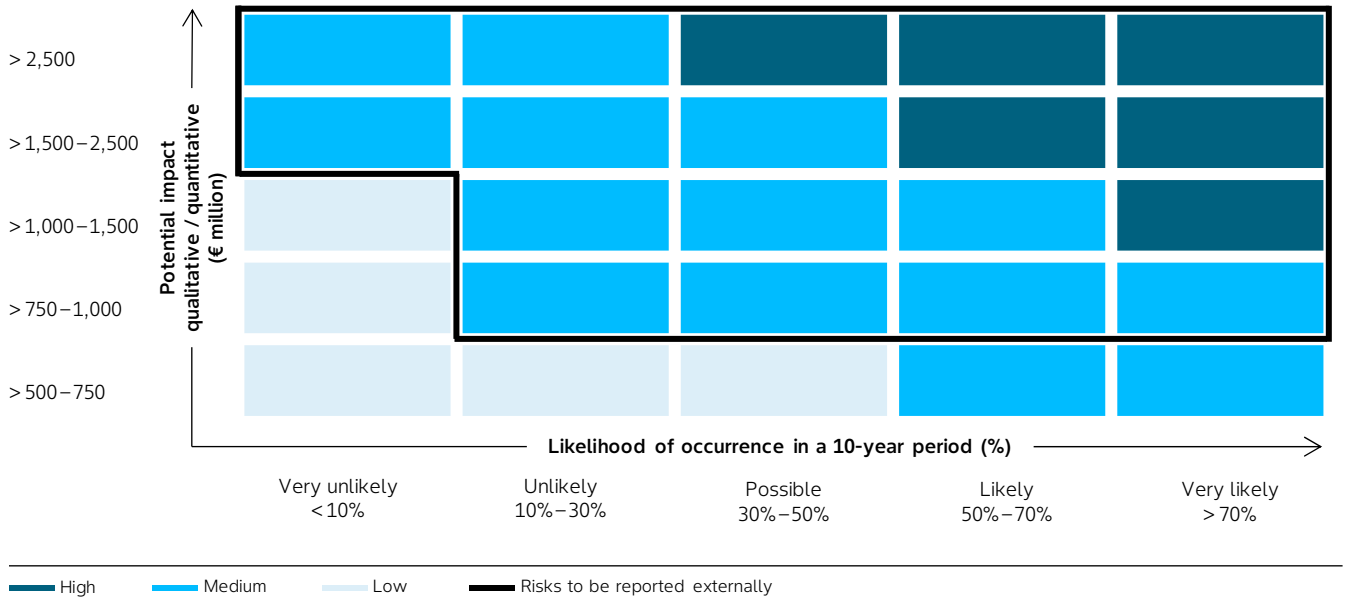
ERM: risk management process
The ERM risk management process is divided into the following steps: risk identification, assessment, response and communication. Sustainability risks are responded to in the same way as risks in other categories as part of the risk management process, and also include risks related to environmental, employee and social issues, human rights, and corruption and bribery. To ensure consistency and enhance efficiency, the risk management process is carried out in close cooperation with the Public Affairs, Sustainability & Safety Enabling Function, with the disclosure requirements set out in the European Sustainability Reporting Standards (ESRS) also being taken into account. For more details on sustainability management, see Chapter A 4 Sustainability Statement.

Identification: Risks are identified by risk owners in the divisions and enabling functions. To help ensure we identify risks as comprehensively as possible, we maintain a risk universe that reflects the company's potential risk categories. The Bayer Risk Universe, which is regularly updated, also expressly accounts for risks of a nonfinancial nature that are linked to our business activities or to our business relationships, products and services. Further information on the nonfinancial statement can be found in the "About this Report" section.

Assessment: Where possible, the identified risks are evaluated to determine their potential impact and likelihood of occurrence using the matrix below. Risks are assessed on a net basis, taking into account the risk control measures in place to mitigate the potential impact and/or likelihood of occurrence.

A 3.2.1/2

Risk assessment matrix



Risks are classified as high, medium or low when assessing their materiality within the overall risk portfolio. The scale of the impact is rated in quantitative and/or qualitative terms. The quantitative assessment reflects a potentially negative effect on cash flows, while the qualitative evaluation is based on criteria such as strategic impact, effects on our reputation, or potential loss of trust among stakeholder groups. The higher rating – qualitatively or quantitatively – determines the overall assessment. Where applicable, we take into account the potential impact on people and/or the environment as an additional criterion in our assessment. The likelihood of occurrence is calculated based on a maximum period of 10 years.

We aggregate risks to ensure the early detection of risks that, in combination or through correlation, could potentially endanger our company's continued existence. Using methods such as Monte Carlo simulations, we estimate the potential aggregated impact that our main risks could have on our cash flow. We compare the resulting aggregated risk situation with the risk-bearing capacity approved by the Board of Management. The outcome of this comparison is factored into the Board of Management's overall assessment of the company's risk status.

Response: The risk owners decide on a target risk level based on a cost-benefit analysis and define a risk management strategy as well as risk management measures. These include risk avoidance, reduction, transfer and acceptance.

Communication: The results are reported to the Assurance Committee by the Enterprise Risk Management department. In addition, new risks above a defined threshold are reported to Enterprise Risk Management on an ad hoc basis and, if relevant, to the Assurance Committee. A report on the risk portfolio is submitted to the Board of Management and the Audit Committee at least once a year.

ERM: monitoring and improvement

The Enterprise Risk Management department continuously evaluates whether the principles, standards, methods and tools are appropriate and up to date.

Assessment of the risk management and internal control systems pursuant to Section 91, Paragraph 3 of the German Stock Corporation Act (AktG)

The fundamental requirements for all management systems are based on the relevant international standards and practices. Controls and monitoring are generally performed as part of the respective management systems, focusing on the risks that need to be mitigated.

The Board of Management has defined and implemented a procedure to ensure compliance with the requirements pursuant to Section 91, Paragraph 3 of the German Stock Corporation Act (AktG) with regard to the risk management system and the internal control system. This procedure is regularly reviewed and updated as required.

Accordingly, the Board of Management is focused particularly on the four management systems of enterprise risk management, internal control system over reporting, compliance, and internal audit. These four management systems form the core of our risk management and internal control systems.

For further information on the core management systems, see Chapter A 3.2.1 and particularly "Enterprise risk management (ERM) including risk early warning system," "ERM: risk management process" and "ERM: monitoring and improvement," "Internal control system for (Group) accounting and financial reporting processes" and "Compliance management system," as well as "Independent internal and external monitoring."

These core management systems are regularly monitored and reviewed as part of audits within the respective management system and audits by Internal Audit and/or external auditors. The results of these reviews are regularly reported to the Board of Management.

The review by the Board of Management did not identify any relevant indications that, in their entirety, would call into question the appropriateness and effectiveness of these systems for the fiscal year.

However, it is important to bear in mind that, irrespective of their design or evaluation, risk management and internal control systems cannot ensure with absolute certainty that all risks are identified before they materialize and that the envisaged controls detect all vulnerabilities.

3.2.2 Opportunity and Risk Status

In this section, we report on material, reportable risks pursuant to German Accounting Standard (DRS) No. 20. These include all financial and nonfinancial risks that have been classified as high or medium and are at least significant in terms of potential impact after taking into account the risk control measures in place (net risk). They encompass risks falling within the black outline in the rating matrix A 3.2.1/2. In addition, we report relevant risks that (from a financial point of view) may not be sufficiently or meaningfully assessable, if at all. We also report on the material opportunities identified in the course of our opportunity management. Furthermore, we assess the probability that the effects of individual risks could change significantly during the forecast period. Our most recent evaluation did not find this to be the case, with the following exception: Legal proceedings may generally involve substantial estimation risks. Against the background of the proceedings in the glyphosate matter and PCB matters, in particular, outcomes of mediation and/or the ongoing litigations may lead to adjustments of the provisions or liabilities in connection with these series of litigations. Such adjustments may materially impact the forecast issued with respect to the financial position and cash flows. See also Note [30] in B Consolidated Financial Statements.

Comparable risks existing in different divisions of the company are grouped together where applicable.

According to our understanding, risks relating to the aspects outlined in the German CSR Directive Implementation Act (CSR-RUG) that would need to be reported separately would have to be classified as having the highest level of potential impact under the qualitative criterion “potential impact on people and/or the environment,” and additionally their likelihood of occurrence would have to be classified as “very likely.” We did not identify any risks that meet said criteria in 2025.

The section below details the individual risk categories that fall within the “Risks to be reported externally” area outlined in the risk matrix, as well as how they have been classified[26] and the divisions concerned. The order in which the risks are listed does not imply any order of importance. We also describe opportunities and risks of a division-specific nature where relevant. The divisions mentioned are those that have identified material risks. Other divisions may also be affected to a lesser extent. Material risks reported by enabling functions are categorized under “Group,” although they may also affect the divisions.

Social and macroeconomic trends (High: Group; Medium: Crop Science)

We continue to see an elevated risk arising from geopolitical shifts and tensions that may impact our global business. Competition between the United States and China, regional conflicts and an increasingly fragmented and polarized world order are challenging established economic paradigms and impeding capital expenditure decisions, supply chains and cross-border trade flows. While global trade remains highly interconnected, globalization is undergoing a period of major transition. Geopolitical developments remain volatile, especially with regard to potentially far-reaching policy decisions by the US government, e.g. in the trade context, potentially far-reaching restrictions by the Chinese authorities, e.g. in the context of export regulations, or respective retaliatory measures from both sides. This may lead, for example, to an adverse impact on the availability of components or materials and the Bayer Group’s ability to plan effectively. Established principles that have applied for decades, such as the rules-based order for trade and supply chains prioritizing cost efficiency to facilitate just-in-time production, are increasingly being called into question. This may have ramifications for our business environment: Fragmentation in various areas (e.g. capital markets, technological standards) is causing many states to become increasingly focused on securing access to critical commodities and strategically important technologies. This is increasingly leading to the introduction of restrictive commercial measures or investment controls relating to critical infrastructure, which may impact us directly or indirectly. Aspects relating to research and product registrations are also increasingly being discussed from a national security perspective and overshadowed by disinformation strategies. Geopolitical risks relate, for example, to Russia’s war in Ukraine, as well as to the Middle East and potential tensions between China and Taiwan. We see both direct risks for our production in Ukraine and our customers, as well as indirect risks through the impact on our suppliers and supply chains (see also the “Supply of products” section). The impact of wars generally has the potential to endanger the safety of our employees and customers while at the same time significantly affecting

[26] The classification pertains to the risks.

relevant markets for our business by, for example, impeding supply chains, pushing up energy and commodity prices, and giving rise to negative currency and economic effects. Such shifts could have a negative impact on our market environment. The geopolitical environment in which we operate is becoming increasingly harsh overall, which could also lead to increased attacks on critical infrastructure. We are responding to these challenges by undertaking global and local operational crisis management activities, operating cross-business and cross-function task forces, and diversifying our energy sources. In addition, we have a global geopolitics team in place within the Public Affairs department that consolidates our activities in this field.

The growing world population, coupled with rising food demand, gives rise to opportunities for our Crop Science Division. In addition, changing consumption patterns and increasing public awareness of the importance of healthy eating and sustainability, paired with new digital technologies, are generating new pools of value in the agriculture market. Therefore, while high-quality seeds and crop protection will remain at our core, we see opportunities to capture additional value by tapping new customer segments, sales platforms and digital capabilities, and to drive regenerative agriculture.

Furthermore, the aging population gives rise to opportunities for our Pharmaceuticals Division, with the incidence of chronic diseases on the rise and an increasing number of patients suffering from multiple conditions affecting their quality of life. To address the growing demand for innovative healthcare products to treat age-related diseases, our Pharmaceuticals Division has streamlined its R&D activities toward precision medicine with a narrower therapeutic area focus but a wider range of modalities.

Negative public perception toward Bayer and, on a general level, toward new technologies represents a risk. For example, the use of crop protection and genetic engineering in agriculture is frequently the subject of critical debates, potentially impacting not only our reputation but also regulatory decisions, which could, in turn, negatively affect the use and the availability of our products. The risk of an increasingly negative public debate that is not primarily based on science may, for example, lead to legislative and regulatory decisions that are unfavorable to Bayer, significantly limiting the use of our products or even resulting in voluntary or mandated product withdrawals. Social media and rapid information cycles may amplify misinformation or allegations, including through unauthorized or spoofed communications. We actively engage in debates of this nature since we firmly believe that transparency and societal acceptance are essential requirements that successful companies have to fulfill.

Furthermore, negative developments of a macroeconomic nature, such as crises in important sales markets for our company, could weigh on our business and reduce our earnings. Our seed and crop protection business in particular is cyclical and shaped by economic developments and factors, including fluctuating weather conditions that may adversely impact our Crop Science business. Severe impacts associated with climate change, such as extreme weather events, may affect agriculture, for example, through potential loss of harvests due to drought or flooding. Forecasts concerning climate change indicate that these risks are set to increase in the long term. We address these factors through our globally diversified business, flexible supply chain and comprehensive monitoring, and by taking climate change into account in the long-term alignment of our research and product development activities.

Market developments (Medium: Crop Science)
In the Crop Science Division, competition in the seed and crop protection industry may intensify further. The successful market launch of new generations of products is also partly dependent on external factors that we have only limited control over and that could have a negative impact, such as tighter regulatory frameworks and increased data requirements. In addition, new competitors entering the market as well as aggressive marketing and pricing strategies – not only for generic products – could have a largely negative impact on our profitability and market position. Furthermore, increasing digitalization in the agriculture sector could lead to the rise of new players and alter the market – possibly to our disadvantage. To take account of these developments, we are realigning our business models, engaging in scientific and commercial partnerships, and utilizing our own R&D capabilities.

We see opportunities for our Pharmaceuticals Division. Scientific breakthroughs in fields such as cell and gene therapy and precision medicine have expanded the toolbox of innovative therapies. This provides opportunities to cure patients with high unmet needs or even prevent diseases in the first place. At the same time, data science and AI are leading to improved diagnostic methods, enabling diseases to be diagnosed and treated in a more targeted way.

Regulatory changes (High: Group, Pharmaceuticals; Medium: Crop Science)
Our business activity is subject to extensive regulations that continue to evolve and may become more stringent, including in certain cases for reasons of a political nature. For example, with respect to the Crop Science Division, further restrictions could be imposed on the sale and use of various crop protection products, and approvals that have already been granted might not be extended following regular review by the authorities. In some cases, they are also subject to legal challenges. Such measures could potentially lead to product registrations and marketing authorizations being temporarily or permanently revoked. This could in turn result in financial losses from reduced sales of crop protection products as well as associated seed offerings. In this connection, there is also growing public debate around potential restrictions on the use of certain active ingredients that contain fluoride. The Pharmaceuticals Division could likewise face more challenging registration requirements. For example, discussions by regulatory authorities regarding the reclassification of chemical substances could lead to a decline in sales or restrictions on use. In addition, the pricing of pharmaceutical products could become more strictly regulated – not only for products already exposed to generic competition, but also for innovative, patent-protected products. This also encompasses uncertainties related to potential legislative actions or executive orders by the US government. Residues of agrochemical products or pharmaceutical compounds could also become subject to more stringent regulation. In addition, regulatory changes could affect agricultural imports from other parts of the world, potentially impacting our business activity in those regions. Regulatory changes could also cause uncertainty over our products' patent protection, potentially resulting in financial losses that may even include the repayment of license fees. Higher product development costs and longer development times could necessitate adjustments to our product portfolio that may in turn negatively impact our reputation.

We counter such risks by monitoring changes in regulatory requirements in order to adequately address them within the company. Furthermore, our global business presence is built on our comprehensive product portfolio and supports our sustainability ambitions. In addition, we continuously adapt to new challenges by leveraging our research and development capabilities, undertaking acquisitions and engaging in collaborations, while also aligning our product portfolio to reflect anticipated changes. We also engage in continuous dialogue with the authorities in all major markets with the goal of promoting science-based decision-making. This aspect forms a central part of our efforts to mitigate potential risks.

Business strategy (Medium: Pharmaceuticals)
Our business strategy is geared toward innovation, which is inherently associated with risks. In our Pharmaceuticals Division, we see challenges in setting up new therapy platforms, such as for cell and gene therapy, and in further developing established therapeutic areas through innovative solutions. We may face negative financial repercussions and/or damage to our reputation, for example, if such risks were to materialize. We counter these risks by aligning our organization and our processes toward addressing existing challenges.

Research and development (High: Pharmaceuticals; Medium: Crop Science)
Across our businesses, we see opportunities arising from our innovation capabilities – both in the continued development of our brands and in the expansion of our research pipeline. In the Pharmaceuticals Division, opportunities arise from data science and from AI and associated new R&D methods that save time and enhance R&D productivity. In addition, new, unique screening technologies facilitate the identification of new lead structures to unlock previously undruggable targets, with the potential to develop innovative products. We also rely on networking, both within the company and with external partners, to boost our innovation capabilities. This stimulates the development of new products.

Technological advances in pharmaceutical product development may at the same time also represent a risk for our company should we not be in a position to play a role in shaping such advances. Securing access to new technologies and identifying a sufficient number of research candidates in general while also ensuring their appropriate development represents a particular challenge. Targeting in-licensing and acquisitions as additional ways to strengthen our company involves the risk that we may be unable to identify a sufficient number of suitable candidates on financially acceptable terms. We cannot ensure that all of the development candidates we currently have in our pipeline, or will have in the future, will be developed to the stage at which they are ready to be launched on the market, or that they will obtain their planned approval/registration or achieve commercial success. These goals may not be reached if, for example, we are unable to satisfy technical or capacity requirements or meet time constraints in product development, fail to achieve study objectives or do not allocate financial resources optimally. Delays or cost overruns may occur during product registration or launch. We counter this risk through holistic portfolio management, as well as by estimating the probability of success and prioritizing development projects.

At Crop Science, we anticipate that our innovation capacities and budgets will enable us to leverage opportunities and effectively tackle the challenges faced in developing and introducing product solutions in agriculture, including longer and more costly development cycles or stricter regulatory requirements. We plan to further capitalize on the strengths of our R&D platform to deliver pioneering technologies faster. In addition, we will leverage our existing expertise and strategically invest in new capabilities to unlock and capture new market segments.

At the same time, Crop Science also specifically addresses the challenges in the area of R&D. Primary factors here include the accelerated pace of innovation, driven by rapid technological advancements, as well as shifting regulatory frameworks and intense competition. Uncertainties surrounding innovation initiatives pose risks to the successful commercialization of new products and may potentially lead to missed market opportunities or a weakening of our competitive position. To address these risks and safeguard our strategic objectives and long-term competitiveness, we are focusing on continuous portfolio management as well as a dynamic resource flow for key projects, and strategically investing in competitive innovation.

Supply of products (procurement, production, logistics)
(High: Group; Medium: Crop Science, Pharmaceuticals)
Despite all precautions, operations at our sites, or the sites of our suppliers and partners, may be disrupted by fires, power outages, process changeovers – including those due to restrictions on the use of certain chemical substances – or plant breakdowns, for example. In addition, some of our production facilities are located in areas that may be affected by natural disasters such as flooding or earthquakes. The materialization of any of these risks could lead to production disruptions or stoppages, result in personal injury and damage to our reputation, give rise to declines in sales and/or margins, and necessitate the reconstruction of damaged infrastructure. If we are unable to meet product demand, sales may undergo a structural decline because patients may in the meantime be receiving alternative treatments and may not switch back to our products. We address these risks by building up safety stocks and by spreading production across multiple sites, for example. Furthermore, an emergency response system based on corresponding Group regulations has been implemented at all our production sites.

Disruptions in our upstream supply chain, which includes, for example, the sourcing of raw materials or active ingredients from suppliers or partners, as well as the logistics processes involved, may also negatively impact our own supply capability. The substances we procure, and the companies that manufacture them, must meet all necessary regulatory requirements. These substances must also be suitable for fulfilling regulatory requirements further down the value chain. Certain materials, particularly in our Pharmaceuticals Division, are offered by only a small number of suppliers or a sole source, and any disruption could affect production and product availability. We counter these risks by establishing relationships with alternative suppliers, concluding long-term agreements, expanding inventories and producing raw materials ourselves. Supplier risks are regularly reviewed and evaluated.

As a result of geopolitical risks and the international (supply chain) disruption they are causing, risks relating to the availability of necessary production materials and supply chain stability, for example, remain at a high level. See also the “Social and macroeconomic trends” section.

Marketing, sales and distribution (Medium: Pharmaceuticals)
New product launches present particular challenges for our marketing and distribution organization, since assumptions about aspects such as the market and market circumstances may not materialize as anticipated. As a result, product launch concepts – including those related to clinical trials – and the planning or implementation of the distribution strategy could turn out to be inefficient or inadequate in terms of scheduling and could ultimately present a risk for sales of our products. We address these risks by conducting a forward-looking analysis of possible scenarios and devising suitable strategies for projects such as planned product launches.

Human resources (Medium: Group)
Skilled and dedicated employees are essential for our company’s success. Difficulties in recruiting, hiring and retaining urgently needed specialized employees (on a regional level) – also in view of competition between employers – and in employee development could have significant adverse consequences for our company’s future development. Developments such as the growing relevance of disruptive technologies and the company-wide implementation of our DSO operating model – which is designed to promote new ways of collaboration – mean that our employees will need to possess new, innovative skill sets. To counter these risks, we design appropriate recruitment measures and adopt a skills-based approach in our talent development activities based on our analysis of future requirements. In addition, we align our corporate culture toward diversity and employee needs based on data, analyses and insights, enabling us to tap the full potential of the labor market.

Information technology (High: Group)
Our business and production processes as well as our internal and external communications are dependent on global IT systems. Ensuring the optimal alignment of our IT architecture, which also encompasses the use of cloud-based services and management of any service providers commissioned for IT products, therefore represents a challenge. In this connection, any potential incidents at a cloud supplier, such as the outage of a cloud region or a security incident, or a shift in regulations could present a risk for our company due to the disruption that might be caused to our supply and value chains, for example. The confidentiality, integrity and availability of internal and external information systems and data are of fundamental importance to us overall. If the risk of a breach of confidentiality, integrity or availability were to materialize, for example due to (cyber) attacks, it could lead to the manipulation and/or uncontrolled outflow of data and knowledge, and to reputational damage. Such attacks may also be carried out by in-house personnel. Our business and/or production processes could also be temporarily disrupted by (cyber) attacks. Driven largely by new country-specific data protection regulations, the rapidly evolving regulatory environment could potentially limit our decision-making options with respect to data processing and storage. Inadequate internal guardrails governing the use of new technologies, such as AI, could lead, for example, to uncontrolled dissemination or independent AI activity that does not comply with applicable legal and ethical standards or corporate objectives. Such developments could potentially necessitate rapid adjustments to our operating processes or IT system landscape, give rise to financial consequences, damage our reputation, result in a loss of trust among stakeholders, and jeopardize our operational stability. To counter these risks, we evaluate and utilize forward-looking approaches. Processes and measures have also been implemented to keep technical security precautions up to date and proactively identify and examine new threats. In addition, security measures implemented by the Corporate Cyber Defense Center protect our IT infrastructure against unauthorized access.

Finance and tax (Medium: Group)

In the section below, we report on the financial opportunities and risks that are relevant for the Bayer Group and, where applicable, fall within the scope of the provisions of IFRS 7, irrespective of whether they are required to be reported as part of our ERM system.

Liquidity risk

Liquidity risks are defined as the possible inability of the Bayer Group to meet current or future payment obligations. These include aspects such as uncertainties regarding future cash flows, as well as difficulties in refinancing existing debts, and require strategies to ensure sufficient liquidity. Due to ongoing legal proceedings, there may be an unplanned increase in liquidity requirements for the Bayer Group, including at short notice.

Liquidity risks are determined and managed on a centralized basis by the Treasury & M&A Enabling Function as part of our same-day and medium-term liquidity planning. We hold sufficient liquidity to ensure the fulfillment of all planned payment obligations throughout the Bayer Group at maturity. Furthermore, a reserve is maintained for unbudgeted shortfalls in cash receipts or unexpected disbursements, and its balance is regularly reviewed and adjusted. Undrawn credit facilities also exist with banks, including, in particular, a €5 billion syndicated revolving credit facility with a tenor that currently runs until December 2030 plus a one-year extension option, as well as two additional credit facilities with a total volume of €1.5 billion and a tenor that runs until August 2026.

Credit risks

Credit risks arise from the possibility that the value of receivables or other financial assets of the Bayer Group may be impaired because counterparties cannot meet their payment or other performance obligations. The maximum default risk is reduced by existing collateral, especially our global credit insurance programs. To manage credit risks from trade receivables, each customer is appointed a credit manager who regularly analyzes the customer's creditworthiness. Credit limits are set for all customers. We generally agree reservation of title with our customers. Credit risks from financial transactions are managed centrally in the Treasury & M&A Enabling Function. To minimize risks, financial transactions are only conducted within predefined exposure limits and with banks and other partners that preferably have investment grade ratings.

Opportunities and risks resulting from market price changes

Opportunities and risks resulting from fluctuations in currency exchange rates, interest rates and commodity prices are managed by the Treasury & M&A Enabling Function. Risks are mitigated through the use of derivative financial instruments. The type and level of currency, interest-rate and commodity-price risks are determined using sensitivity analyses as per IFRS 7 that are based on hypothetical changes in risk variables (such as interest curves) to gauge the potential effects of market price fluctuations on equity and earnings.

Foreign currency opportunities and risks for our company arise from changes in exchange rates and the related changes in the value of financial instruments (including receivables and payables) and of anticipated payment receipts and disbursements not in the functional currency. Receivables and payables in liquid currencies from operating activities and financial items are generally fully exchange-hedged through cross-currency interest-rate swaps and forward exchange contracts. Anticipated exposure from planned payment receipts and disbursements in the future is hedged through forward exchange contracts and currency options according to management guidelines. Sensitivities were determined on the basis of a hypothetical scenario in which the euro appreciates or depreciates by 10% against all other currencies compared with the year-end exchange rates. In this scenario, the estimated hypothetical increase or decrease in cash flows from derivative and nonderivative financial instruments would have improved or diminished earnings as of December 31, 2025, by €26 million (December 31, 2024: €30 million). Derivatives used to hedge anticipated currency exposure that are designated for hedge accounting would have improved or diminished equity (other comprehensive income) by €391 million (December 31, 2024: €428 million). Of this amount, €110 million is related to the Brazilian real (BRL), €106 million to the Chinese renminbi (CNY), €39 million to the Canadian dollar (CAD) and €32 million to the Japanese yen (JPY). Currency effects on anticipated exposure are not taken into account.

Interest-rate opportunities and risks for our company arise from changes in capital market interest rates, which could in turn lead to changes in the fair value of fixed-rate financial instruments and changes in interest payments in the case of floating-rate instruments. Interest-rate swaps are concluded to achieve the target structure for Bayer Group debt. A sensitivity analysis conducted on the basis of our net floating-rate receivables and payables position at the end of 2025 gave the following result: A hypothetical increase of one percentage point in these interest rates (assuming constant currency exchange rates) as of January 1, 2025, would have raised our interest expense for the year ended December 31, 2025, by €3 million (December 31, 2024: €1 million).

Commodity-price opportunities and risks arise from the volatility of raw material prices, which could lead to an increase in the prices we pay for seeds and energy. We reduce commodity-price risks by using commodity-price derivatives such as futures, which are mainly designated as hedge accounting. A sensitivity analysis with a hypothetical 10% change in commodity prices for derivatives used for hedging purposes indicated an effect of €50 million on equity (December 31, 2024: €53 million).

In addition, Bayer has had a long-term structured renewable energy credit (REC) purchase agreement in place in the United States since 2023. The agreement is set to allow the company to secure 40% of its global and 60% of its US-purchased electricity demand out of renewable sources. Full capacity is expected to be reached during 2028, subject to some uncertainties. The agreement contains a contract for difference that is separately accounted for as a derivative at fair value through profit or loss, with the fair value mainly affected by future energy prices. A hypothetical 10% change in energy prices would have resulted in a gain of €50 million or a loss of €52 million, respectively, through profit or loss (December 31, 2024: gain of €55 million or a loss of €56 million).

Financial risks associated with pension obligations

The Bayer Group has obligations toward current and former employees relating to pensions and other post-employment benefits. Changes in relevant measurement parameters such as interest rates, mortality and salary increase rates may raise the present value of our pension obligations. This may lead to increased costs for pension plans or diminish equity due to actuarial losses being recognized in other comprehensive income in the statement of comprehensive income. A large proportion of our pension and other post-employment benefit obligations is covered by plan assets, including fixed-income securities, shares, real estate and other investments. Declining or even negative returns on these investments may adversely affect the future fair value of plan assets. Both of these effects may negatively impact the development of equity and/or earnings, and/or may necessitate additional payments by our company. We mainly address the risk of market-related fluctuations in the fair value of our plan assets by employing a balanced strategic asset allocation and by constantly monitoring investment risks in regard to our global pension obligations.

Tax risks

Bayer AG and its subsidiaries operate worldwide and are thus subject to many different national tax laws and regulations. The companies are regularly audited by the tax authorities in the various countries where they are tax residents. Amendments to tax laws and regulations, legal judgments and their interpretation by the tax authorities, and the findings of tax audits in these countries may result in higher tax expense and payments, thus also influencing the level of tax receivables, tax liabilities and deferred tax assets and liabilities. Significant acquisitions, divestments, restructuring programs and other reorganizational measures that we undertake could also have a negative impact on such items. We counter the resulting risks by continuously identifying and evaluating the tax framework. We establish provisions for taxes, based on estimates, for liabilities to the tax authorities of the respective countries that are uncertain as to their amount and probability of occurrence.

Major programs (Medium: Group)

Throughout the organization, we are implementing Dynamic Shared Ownership (DSO), our new operating model that is aimed at significantly enhancing the Bayer Group's focus on our mission, accelerating the pace of innovation and more effectively harnessing our growth potential. In this connection, we face the challenge of ensuring that we can adequately leverage the benefits we expect to arise from this transformation. Please see the "Group strategy" section of Chapter A 1.2.1 Strategy and Targets for details. In addition, our ambitious objectives to standardize IT processes and systems may take longer to implement than planned or may not be completely fulfilled. Materialization of these risks could result in consequences such as increased costs and/or disruptions to service continuity. We counter these risks by deploying dedicated teams and multipliers to drive forward these projects with the Board of Management's full backing.

Across our businesses, the implementation of the DSO operating model represents an opportunity as it enables us to enhance engagement and achieve swifter market launches for globally leading innovations. This is based on reducing hierarchical layers, cutting bureaucracy and empowering teams to independently make decisions that closely align with customer needs, as well as on the roll-out of new holistic talent management and skills-based career development programs, for example. By adopting a talent-centric approach and enabling staff to work in independent, empowered teams, we can strengthen our employer brand through increased employee satisfaction and improved performance throughout the entire Group.

External partner compliance (Medium: Group)

There is a risk that our partners, such as suppliers, do not pay due attention to our corporate values and applicable laws, as well as requirements concerning ethics, compliance – including respect for human rights – and sustainability. Besides an adverse impact for rights-holders from a potential human rights violation as defined by the International Bill of Human Rights and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, as well as the financial consequences for Bayer, a materialization of those risks could also negatively impact our reputation and cause a supply interruption. To address these risks, we have clear sustainability criteria and standards in place for our supply chain on both a global and regional level. With the goal of improving sustainable practices in our supply chain, we operate a Group-wide, four-step management process that comprises the following elements: raising awareness, supplier selection, supplier evaluation and supplier development.

Health, safety and environment (Medium: Group, Crop Science)

We attach great importance not only to product safety but also to protecting our employees and the environment, as well as to respecting human rights both within our own business operations and also in our business relationships along the value chain. Seed production is especially susceptible to human rights violations, such as with regard to working conditions and child labor. We address these challenges by implementing a dedicated human rights management process for seed production. Misconduct or noncompliance with legal requirements or Bayer Group standards may result in personal injury, damage to property, reputation or the environment, loss of production, business interruptions and/or liability for compensation payments. Additional ramifications may also include the obligation to remediate contamination, particularly soil or groundwater contamination, or redress for human rights violations, as well as sanctions due to the potential failure to adequately address human rights risks. We have put in place principles, standards and measures aimed at ensuring that our requirements are adequately communicated and optimally implemented.

Intellectual property (Medium: Crop Science, Pharmaceuticals)

Our portfolio largely consists of patent-protected products. Generic manufacturers in particular attempt to contest or circumvent patents prior to their expiration. We are currently involved in legal proceedings to enforce patent protection for our products. Conversely, legal action by third parties for alleged infringement of patent or other property rights by our company may impede or even halt the development or manufacturing of certain products. We may also be required to pay monetary damages or royalties to third parties. Our patents department regularly reviews the patent situation in collaboration with the respective operating units and monitors for potential patent infringements so that legal action can be taken if necessary.

Legal/compliance (Group)

We are exposed to risks from legal disputes or proceedings to which we are currently a party or which could arise in the future. See Note [30] to the Consolidated Financial Statements of the Bayer Group under "Legal risks." The legal risks described are those to which Bayer AG is exposed either directly or through subsidiaries. The legal proceedings outlined there are those currently considered to involve material risks and do not represent an exhaustive list. The general risks to which we are currently and/or potentially exposed include, but are not limited to, those in the areas of product liability, securities law, breach of contract, competition and antitrust law, anti-corruption law, patent law, tax law, data privacy, environmental protection and human rights. Investigations into possible legal or regulatory violations may result in the imposition of civil or criminal penalties – including substantial monetary fines – and/or other adverse financial consequences. Payments may also need to be made under out-of-court settlements or adverse court decisions. The materialization of any of these risks may harm our reputation and hamper our commercial success. We have established a global compliance management system to ensure the observance of laws and regulations.

Glyphosate matter

A large number of lawsuits from plaintiffs claiming to have been exposed to glyphosate-based products manufactured by Bayer's subsidiary Monsanto Company ("Monsanto") have been served upon Monsanto in the United States. Glyphosate is the active ingredient contained in a number of Monsanto's herbicides, including Roundup™-branded products. Plaintiffs allege personal injuries resulting from exposure to those products, including non-Hodgkin lymphoma ("NHL") and multiple myeloma, and are seeking compensatory and punitive damages. The plaintiffs are claiming, inter alia, that the glyphosate-based herbicide products are defective and that Monsanto knew, or should have known, of the risks allegedly associated with such products and failed to adequately warn its users. Additional lawsuits are anticipated. The majority of plaintiffs have brought actions in state courts in Missouri.

In February 2026, Monsanto reached agreement on two significant settlements regarding Roundup™ claims: a proposed US nationwide class settlement and a separate agreement settling certain other Roundup™ claims on mutually acceptable terms. The settlement agreements do not contain any admission of liability or wrongdoing. They are aimed at significantly containing the Roundup™ litigation.

The proposed class settlement is designed to resolve current and future glyphosate-related claims alleging NHL injuries regardless of legal theory through a long-term claims program.

The scope of the proposed settlement class covers persons who allege exposure to Roundup™ prior to the settlement date and have a medical diagnosis of NHL or receive a medical diagnosis of NHL before the end of a 16-year period following the effective date of the settlement, which occurs after final trial court approval of the class settlement agreement and exhaustion of all appellate rights.

To fund the class, Monsanto will make declining capped annual payments for up to 21 years totaling up to US$7.25 billion.

The class settlement agreement is subject to court approval. As part of the approval process, a settlement administrator will send notice to the class, and class members will have the opportunity to object to or opt out of the settlement. Monsanto has the right to terminate the class settlement if the number of opt-outs is excessive.

If the state trial court finally approves the class settlement, such order could be appealed, with the decision on an appeal potentially taking several years. The class settlement does not become final and effective until all appeal procedures have been concluded.

The following summarizes other Roundup™ litigation developments in the United States which are not affected by the two settlements reached by Monsanto in February 2026.

As of February 2026, 28 Roundup™ trials have been concluded before both federal and state courts in California, Missouri, Oregon, Arkansas, Delaware, Illinois, Georgia and Pennsylvania. In one of these cases, a defense verdict was reversed upon appeal and a re-trial was scheduled. Another seven of these cases remain pending on appeal, including only three outstanding adverse verdicts: Anderson, Dennis and Durnell.

In 2025, four plaintiffs' verdicts (Caranci, Martel, Anderson and Dennis) were affirmed by appellate courts without further reduction of the amounts awarded at the trial court level. In August and November 2025, Monsanto agreed, without admission of liability, to settle the Martel and Caranci cases on mutually acceptable terms. In May 2025, the plaintiffs' verdict (comprised of approximately US$61 million in compensatory damages and approximately US$550 million in punitive damages) in Anderson, a three-plaintiff case tried in Missouri, was upheld by the appellate court. Monsanto intends to seek review by the US Supreme Court. In November 2025, the California appeals court upheld a judgment of approximately US$28 million against Monsanto in the Dennis case. Monsanto is currently seeking review by the California Supreme Court.

In 2024, the Third Circuit Federal Court of Appeals issued its ruling in Schaffner, unanimously holding that the state-based failure-to-warn claims in this case are expressly preempted by the Federal Insecticide Fungicide and Rodenticide Act (FIFRA). This decision on federal preemption has created a circuit split with prior decisions of the Ninth (Hardeman) and Eleventh (Carson) Circuits. In April 2025, Monsanto filed a petition for a writ of certiorari with the US Supreme Court in the Durnell case, shortly after the Missouri Supreme Court denied Monsanto's appeal. In its petition, Monsanto argues that the split among federal circuit courts in the Roundup™ personal injury litigation, on the cross-cutting question of whether federal law preempts state-based failure-to-warn claims, warrants review and resolution. In June 2025, the US Supreme Court asked the Solicitor General to provide the Federal Government's view on whether the Court should hear the Durnell appeal. In December 2025, the Solicitor General filed its brief supporting the review of the petition for a writ of certiorari in the Durnell case by the US Supreme Court. In January 2026, the US Supreme Court announced that it will review the Durnell case. The US Supreme Court case is unaffected by the settlements agreed in February 2026 described above.

As of December 31, 2025, Bayer's provision and liabilities for the glyphosate litigation totaled US$11.3 billion (€9.6 billion). Bayer continues to believe there is no reason for safety concerns in connection with the products mentioned above.

Additionally, as of February 15, 2026, a total of approximately 35 lawsuits (proposed class actions and individual actions) relating to Roundup™ have been filed against Bayer in Canada. The lead class action was partially certified and will proceed on the merits.

Bayer believes it has meritorious defenses and intends to defend the safety of glyphosate and our glyphosate-based formulations vigorously.

PCB matters

Bayer's subsidiary Monsanto has been named in lawsuits brought by various governmental entities in the United States claiming that Monsanto, Pharmacia and Solutia, collectively as a manufacturer of PCBs, should be responsible for a variety of damages due to PCBs in the environment, including bodies of water, regardless of how PCBs came to be located there. PCBs are chemicals that were widely used for various purposes until the manufacture of PCBs was prohibited by the EPA in the United States in 1979.

In 2020, Bayer entered into a class settlement, valued at approximately US$650 million, to settle claims of approximately 2,500 municipal entities. In 2022, the court issued its final approval of the class settlement. There were approximately 84 opt-outs from the class settlement, the majority of which have now filed lawsuits. In 2024, Bayer agreed, without admission of liability, to pay US$160 million to settle the lawsuit with the City of Seattle, US$35 million of which was devoted to PCB remediation. In the same year, Bayer agreed, without admission of liability, to pay US$35 million to settle the lawsuit with the City of Los Angeles.

In 2024, the Maine Attorney General filed suit in state court alleging claims for damages related to PCB contamination of the state's environment, meaning there are now five attorney general cases pending: Delaware, Maine, Maryland, New Jersey and Vermont. Prior cases filed or threatened by Washington, Washington D.C., New Mexico, New Hampshire, Ohio, Pennsylvania and Virginia were settled for a combined total of approximately US$456 million. In December 2025, the cases filed or threatened by West Virginia and Illinois were settled on mutually acceptable terms. The company also settled a pending matter with the State of Oregon for US$698 million, reflecting unique circumstances in that State.

The Vermont Attorney General case is different from the others in scope because it involves allegations of contamination not only of the state's environment but also of its school buildings. There is a similar complaint (Addison Central School District) pending in federal court (District of Vermont) by private lawyers representing 93 Vermont school districts alleging PCB contamination in school buildings. In addition, there is a pending case in Vermont on behalf of the Burlington School District and related personal injury claims (see below).

Monsanto also faces numerous lawsuits claiming personal injury due to use of and exposure to PCB products in school and university buildings. One group of cases with approximately 250 plaintiffs claimed a wide variety of personal injuries allegedly due to PCBs in the building products of the school Sky Valley Education Center ("SVEC") in King County, Washington. As of January 31, 2026, 10 trials had been completed in these matters, involving a total of 80 plaintiffs. 31 of these plaintiffs were not successful as the juries decided in favor of Monsanto or a mistrial was declared after the jury was unable to reach a decision. The other 49 plaintiffs were awarded a total of approximately US$320 million in compensatory and a multiple thereof in punitive damages. The undisputed evidence in these cases does not, in Bayer's opinion, support the conclusions that plaintiffs were exposed to unsafe levels of PCBs or that any exposure could have caused their claimed injuries. Bayer had filed post-trial motions or appealed the adverse verdicts, due to numerous significant trial errors. In June 2025, due to the specific circumstances and without admission of liability, Monsanto agreed to settle the claims of 22 plaintiffs in the Burke case on mutually acceptable terms. In August 2025, Monsanto reached an agreement in principle, without admission of liability, to settle on mutually acceptable terms all existing SVEC cases, involving more than 200 plaintiffs, except for current adverse SVEC verdicts that remained on appeal. In December 2025, Monsanto fully resolved the majority of these claims. In 2024, the Washington Court of Appeals vacated the first SVEC verdict (Erickson et al.) of US$185 million (compensatory damages of approximately US$50 million and punitive damages of approximately US$135 million), based on multiple trial errors. In October 2025, the Washington Supreme Court reversed the appellate court's decision and reinstated the jury's verdict. In December 2025, without admission of liability, Monsanto agreed to settle the Erickson case on mutually acceptable terms. In January 2026, Monsanto agreed, without admission of liability, to settle the eight remaining adverse SVEC verdicts, on mutually acceptable terms.

In October 2025, a lawsuit was filed in North Carolina by NC State University seeking damages from Monsanto related to alleged PCB contamination of a building called Poe Hall (e.g., remediation costs, demolition, replacement construction). NC State University also seeks indemnification and declaratory relief, allocating responsibility to Monsanto for potential workers' compensation claims by university employees and potential exposure claims by university students. In February 2026, a lawsuit was filed by 12 former NC State University students and employees against Monsanto claiming they had developed breast cancer and other conditions due to alleged PCB exposure at Poe Hall. These plaintiffs are seeking compensatory and punitive damages.

In 2023, a putative class action lawsuit (Neddo) was filed in the District of Vermont by a mother on behalf of her three children who attended local schools. She alleges that her children are at increased risk of cancer and non-cancer health issues from PCB exposure and seeks the cost of medical monitoring. The complaint, which was amended in 2025, identifies 46 allegedly contaminated schools, and the proposed class is defined as all individuals who attended or worked at one of the contaminated schools. There are also two pending personal injury cases involving a small number of plaintiffs related to Burlington High School and Twin Valley Elementary School.

There are additional personal injury cases stemming from non-school PCB exposure. Nine cases are pending in Massachusetts state court involving 14 plaintiffs who allege various personal injuries from alleged exposure to PCBs in or near a former General Electric landfill. A personal injury and wrongful death lawsuit involving 169 current or former employees at Clark County Government Center is pending in Nevada. These plaintiffs allege that PCBs contaminated the Center through prior operations by Union Pacific Railroad at the site. The Nevada action was dismissed by the state court, and the plaintiffs appealed. In 2024, the Nevada Supreme Court reversed the dismissal. Lastly, there are three cases involving five plaintiffs claiming injury due to exposure to PCBs near Monsanto's former Krummrich plant.

We believe that we also have meritorious defenses in these matters and intend to defend ourselves vigorously.

To recover costs associated with the PCB-related litigation, Bayer filed a complaint in 2022 in the Circuit Court of St. Louis County for the State of Missouri to enforce its rights under certain indemnity contracts. Under these contracts, the companies who purchased PCBs for use in their products agreed to indemnify Monsanto for PCB-related litigation costs, including settlements.

We may incur considerable financial disadvantages from pending lawsuits and/or potential future cases if, for example, we are ordered to pay compensatory and possibly punitive damages or if we assume payment obligations under out-of-court settlements. We could be compelled to cover any such increased financial requirements by issuing additional external debt, increasing our equity capital or divesting assets – possibly on unfavorable terms – or through combinations of these measures. The terms on which we obtain external financing could become less favorable as a result of any increased financial requirements. The materialization of any of these risks may also adversely affect our reputation and our commercial success.

Product safety and stewardship (Medium: Crop Science, Pharmaceuticals)

Despite extensive studies prior to approval or registration, products may be partially or completely withdrawn from the market due, for example, to the occurrence of unexpected side effects or negative effects of our products. Such a withdrawal may be voluntary or result from legal or regulatory measures. In the agriculture business in particular, there is an additional risk that our customers could use our products incorrectly. Furthermore, the presence of traces of unwanted genetically modified organisms in agricultural products and/or foodstuffs may have wide-ranging negative repercussions. The materialization of any of these risks could, for example, lead to a loss of sales and earnings, a negative impact on our reputation and potential liability claims. We counter such risks by taking comprehensive measures in the areas of pharmaceutical and crop protection product safety and testing, including, in particular, a comprehensive stewardship program for genetic product integrity and quality with regard to seeds. These measures are based on globally defined principles and include analysis and monitoring measures, an alert system and training programs.

Quality and regulatory requirements (Medium: Group, Crop Science, Pharmaceuticals)
In almost every country in which we operate, our business activities are subject to extensive regulations, standards, requirements and inspections that also apply to our local contract manufacturers. In the area of health, this largely pertains to clinical studies and manufacturing processes, but also to production materials, for example. At our Crop Science Division, extensive requirements apply along the value chain, such as in our production activities, and also with respect to the external partners involved. Acquisitions may at times also be subject to requirements, compliance with which must be ensured both during and after the integration process. Potential infringements of regulatory requirements may result in the imposition of civil or criminal penalties, including substantial monetary fines, restrictions on our freedom to operate, and/or other adverse financial consequences. They could also harm our reputation and lead to declining sales and/or margins. We counter these risks through binding principles, standards and the control mechanisms in place. Quality requirements are defined and implemented within global quality management systems.

Security (Medium: Group)
Potential criminal activities targeting our employees, property or business activities represent a risk for our company. These include intellectual property theft, violent crime, fraud and sabotage. Counterfeit versions of our products being potentially put into circulation may pose a risk to our reputation and financial interests, but most of all to the health of those concerned. In addition, we could be exposed to crisis situations, such as pandemics, that may disrupt our infrastructure and production processes. To mitigate these risks, we utilize early warning systems for threat detection and prevention. Our global security and crisis management team conducts regular crisis simulations and assists local organizations in developing response plans. Established reporting channels ensure timely reporting of security incidents.

3.2.3 Overall Assessment of Opportunities and Risks by the Board of Management

In the opinion of the Board of Management, based on the current evaluations, none of the risks described above endanger the company's continued existence, neither individually nor collectively. Compared with the previous year, we currently have not identified any material change in our risk status. We remain convinced that we can take advantage of the opportunities arising from our entrepreneurial activity and successfully master the challenges resulting from the risks stated above.

4. Sustainability Statement

This Sustainability Statement offers a comprehensive overview of our environmental, social and governance-relevant efforts to create transparency for our various stakeholders and show responsibility in our actions.

4.1 General Information on the Sustainability Statement

Through the general information on this report, we provide basic details of our business conduct, business model and strategy, and thus want to enable a comprehensive understanding of our sustainable orientation. With this in mind, we identify through the double materiality assessment both the impacts that our own operations and our activities within our value chain have on the environment and society and the financial risks and opportunities that can arise for our company in connection with sustainability matters. The results show which issues are of the utmost importance to us and our stakeholders against the backdrop of reporting. Within the context of general information, we also explain cross-functional policies and concepts that are of particular importance for managing environmental, social and governance matters.

Basis for preparation

The following reporting is strongly aligned with the structural requirements of the European Sustainability Reporting Standards (ESRS). This can lead to duplications in some cases that are attributable to the system of obligatory disclosures.

The nonfinancial statement for the Bayer Group (Section 289b et seq. in conjunction with Section 315b et seq. of the German Commercial Code, HGB) forms a separate part of the Combined Management Report. The framework applied pursuant to Section 289d of the German Commercial Code (HGB) is the European Sustainability Reporting Standards (ESRS). The legality, accuracy and expediency of the nonfinancial statement have been verified by the Supervisory Board.

General basis for preparation of sustainability statement [BP-1]

This management report was prepared on a consolidated basis. The scope of consolidation for sustainability reporting is in general the same as for financial reporting and constitutes the reporting group for information about our own operations. Environmental metrics are determined at all environmentally relevant sites. We regard all sites with an annual energy consumption exceeding 1.5 terajoules and/or annual water withdrawal that is greater than or equal to 50 Tm^3 as environmentally relevant, as in 2024. Information related to reported potential or confirmed compliance violations, metrics on incidents, grievances and serious human rights violations, health and safety metrics and our 100 million targets also includes non-fully-consolidated Bayer companies. Details of the companies included in the Consolidated Financial Statements, the subsidiary and affiliated companies of the Bayer Group pursuant to Section 313, Paragraph 2 of the German Commercial Code (HGB), and a list of domestic subsidiaries that availed themselves in 2025 of certain exemptions granted under Section 264, Paragraph 3, and Section 264b of the German Commercial Code (HGB), are included in the audited Consolidated Financial Statements that have been sent for entry into the Company Registry.

The Sustainability Statement contains information on the material impacts, risks and opportunities in connection with our own operations and our direct and indirect business relations. It therefore also comprises material impacts, risks and opportunities within our upstream and downstream value chain in accordance with the conducted double materiality assessment. We did not have to avail ourselves of the option of omitting certain information corresponding to intellectual property, know-how or the results of innovation.

Disclosures in relation to specific circumstances [BP-2]

We took into account the following specific circumstances in the preparation of the Sustainability Statement:

Time horizons

We have defined clear time horizons for our Sustainability Statement to establish transparency for our strategic planning:

// Short-term time horizon: corresponds to the reporting period (fiscal 2025)
// Medium-term time horizon: up to five years from the end of the reporting period
// Long-term time horizon: more than five years

In our double materiality assessment, we looked at the probability of financial risks and opportunities occurring over a 10-year horizon.

To understand the impacts of climate change on our business, we use the following time horizons in the climate-related scenario analysis, which also covers the resilience of our business fields:

// Short-term: through 2027
// Medium-term: from 2028 through 2035
// Long-term: from 2036 through 2050

Value chain estimations

With regard to our Scope 3 greenhouse gas emissions overall and according to relevant Scope 3 categories, estimation uncertainties can arise due to the data used. These uncertainties result especially from price and currency effects for the Scope 3 categories, as well as from the sector average data used in the input/output model. The input/output model we use is based on the Exiobase database of the US Bureau of Economic Analysis (BEA) and the producer price indices from the Organisation for Economic Co-operation and Development (OECD). We strive to achieve the maximum degree of accuracy by using cutting-edge science. Here we follow a data hierarchy according to which primary data from the upstream and downstream value chain must be used where possible. Alternatively, technology-specific average PCF data and subsequently sector-specific input/output data must be applied. Primary data on greenhouse gas emissions from the products and services purchased by us, capital goods, energy sources, externally disposed of waste and the associated logistics can currently only be provided by a small number of partners. To improve the accuracy of the calculations, we query a steadily growing number of upstream and downstream value chain participants on primary data.

Changes in preparation or presentation of sustainability information

In 2025, changes were undertaken in the calculation of Scope 3 greenhouse gas emissions. As part of the Science Based Targets initiative (SBTi) revalidation process, we examined all parts of our upstream and downstream value chain to identify additional greenhouse gas emissions. This process identified greenhouse gas emissions in six new Scope 3 categories. The additional categories are included in our reporting and our SBTi target for the reduction of Scope 3 greenhouse gas emissions beginning in 2025. In addition, we have adjusted our calculation methodology in certain categories. For further information, please see the sections “Targets related to climate change mitigation and adaptation [E1-4]” and “Greenhouse gas emissions of Scope 1, 2 and 3 and total greenhouse gas emissions [E1-6]” in Chapter 4.2.2 Climate Change. We also further developed the modeling of biogenic Scope 2 CO_2 emissions in 2025. To ensure consistency between the calculation of biogenic and nonbiogenic Scope 2 CO_2 emissions, in the future we will also use data from the International Energy Agency to calculate biogenic Scope 2 CO_2 emissions. For more information and the restated figure for 2024, please see the section “Greenhouse gas emissions of Scope 1, 2 and 3 and total greenhouse gas emissions [E1-6]” in Chapter A 4.2.2 Climate Change.

Revision of sustainability information reported in the previous year

We had reported on substances of concern and of very high concern according to ESRS for the first time in 2024. We had used an externally produced data model that combined data from various internal and external systems. Because of an error that we identified in this external data model, we have changed the calculation over to a revised, internally produced data model, resulting in corrections to the figures reported for 2024. For more information and the restated prior-year figures, please see the section “Substances of concern and of very high concern according to ESRS [E2-5]” in Chapter A 4.2.3 Pollution.

We had reported on the unadjusted gender pay gap according to the requirements of the ESRS for the first time in 2024. The revision of the underlying calculation led to the correction of the calculation error in the gender pay gap published for 2024. For further information and the restated 2024 figure, please see the section “Compensation metrics [S1-16]” in Chapter A 4.3.1 Own Workforce.

Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements

Apart from the disclosures required according to ESRS and Article 8 of Regulation (EU) 2020/852, we have not included any additional disclosures stemming from other legal regulations pertaining to sustainability information or generally recognized standards in the Sustainability Statement.

Governance

Sustainability is a central element of our corporate strategy. Our management and oversight bodies are charged with due diligence and the management of our material impacts, risks and opportunities.

The role of the administrative, management and supervisory bodies [GOV-1]

Bayer AG is subject to German stock corporation law and therefore has a dual governance system consisting of the Board of Management and the Supervisory Board. The Board of Management consisted of six executive members in 2025. The Supervisory Board comprised 20 nonexecutive members, half of whom represented the shareholders and half of whom represented the employees in accordance with the German Codetermination Act (MitbestG).

Board of Management

The members of the Board of Management possess extensive experience as regards various products, value chains and geographic regions. This expertise forms the basis for the management of our sustainability activities and their assessment with regard to material impacts, risks and opportunities.

William N. (Bill) Anderson studied chemical engineering in Texas and at the Massachusetts Institute of Technology (MIT), United States, where he also earned a master’s degree in management. He began his career in specialty chemicals before moving into the biotech sector, where he held international leadership positions at various companies, including Biogen and Genentech. He joined Roche Pharmaceuticals in 2013 and became its CEO in 2019. He has been a member of Bayer’s Board of Management since April 1, 2023, and Chairman of the Board of Management (CEO) since June 1, 2023.

Wolfgang Nickl studied business administration in Stuttgart, Germany, and completed his MBA in Los Angeles, California, United States. After various assignments at Western Digital Corporation in Europe and the United States, he was appointed Chief Financial Officer in 2010. In 2013, he transferred to ASML N.V. in the Netherlands, where he became Executive Vice President and Chief Financial Officer. He has been a member of the Bayer Board of Management since April 2018 and has served as Chief Financial Officer (CFO) since June 2018.

Heike Prinz studied in Berlin, Germany, where she earned a master’s degree in business administration. In 1986, she joined the former Schering AG, which was acquired by Bayer in 2006. Beginning in 2009, she performed various management functions for Bayer Pharmaceuticals in Singapore, Thailand and Japan. In 2021, she took on the role of head of Commercial Operations in the Europe/Middle East/Africa region at Bayer’s Pharmaceuticals Division. Heike Prinz was appointed to the Board of Management of Bayer AG in September 2023 as Chief Talent Officer and Labor Director.

Rodrigo Santos studied agricultural engineering in São Paulo, Brazil, and earned an MBA in Ohio, United States. In 1999, he joined Monsanto and most recently served as Chief Operating Officer at Bayer's Crop Science Division. During those years he held different positions in sales, market development and strategy, leading organizations in Latin America, Europe and the United States. Rodrigo Santos has been a member of the Bayer Board of Management and head of the Crop Science Division since January 1, 2022.

Stefan Oelrich joined Bayer as a commercial trainee. After qualifying as a commercial assistant, he held a number of positions of increasing responsibility in Bayer's HealthCare business. In 2011, he joined Sanofi, where he held numerous roles before being appointed Executive Vice President Diabetes & Cardiovascular in the company's Executive Committee. Stefan Oelrich has served as a member of the Bayer Board of Management and as head of the Pharmaceuticals Division since November 2018.

Julio Triana studied biology and chemistry at the University of Houston and neuroscience at the University of Texas Graduate School of Biomedical Sciences (both Texas, United States) and holds a Master of Business Administration from Universidad Antonio de Nebrija in Madrid, Spain. After working as a research scientist and transferring to PricewaterhouseCoopers, he joined the Bayer Group in 2002, where he has held various management positions, including Chief Financial Officer and Chief Transformation Officer of the Pharmaceuticals Division. Julio Triana has been a member of the Board of Management of Bayer AG since April 1, 2024, and is head of the Consumer Health Division.

Supervisory Board

The members of the Supervisory Board also possess an extensive portfolio of industry experience and specialist expertise, enabling them to accompany and oversee sustainability matters. In the opinion of the Supervisory Board, the shareholder representatives have the following special expertise and experience, as well as the following independence status:

A 4.1/1

Expertise and experience of shareholder representatives on the Supervisory Board

	International business experience	R&D	Agriculture/ food	Healthcare	Finance	Internal controls/ risk management	HR	Governance/ compliance	Digital	Sustainability/ climate protection	Independence
Dr. Paul Achleitner	X				X	X	X	X			
Horst Baier	X				X	X	X	X		X	X
Ertharin Cousin	X		X				X	X		X	X
Colleen A. Goggins	X			X			X				X
Kimberly Mathisen	X	X	X	X			X		X	X	X
Lori Schechter	X			X		X	X	X			X
Dr. Nancy Simonian	X	X		X	X	X					X
Jeffrey Ubben	X		X		X	X				X	X
Alberto Weisser	X		X		X	X	X	X		X	X
Prof. Dr. Norbert Winkeljohann (Chairman)	X				X	X	X	X	X	X	X

In the opinion of the Supervisory Board, the employee representatives have the following special expertise and experience:

A 4.1/2

Expertise and experience of employee representatives on the Supervisory Board

	International business experience	R&D	Agri-culture/ food	Health-care	Finance	Internal controls/ risk manage-ment	HR	Governance/ compliance	Digital	Sustain-ability/ climate protec-tion
André van Broich	X	X	X				X	X		
Nadine Dietz	X						X		X	
Yasmin Fahimi		X				X	X	X		X
Francesco Grioli	X				X	X	X	X	X	
Heike Hausfeld	X						X	X	X	
Frank Löllgen	X	X			X	X	X	X		
Marianne Maehl		X	X				X			
Andrea Sacher		X		X			X			
Claudia Schade							X			
Michael Westmeier				X	X	X	X			

The average age of the members of the Supervisory Board is 61. 45% of the members are male and 55% female. Of the six members of the Board of Management, 83% are male and 17% female.

No member of the Supervisory Board or the Board of Management has an interest, holds a position, or is subject to an alliance or relationship that a reasonable and informed third party would deem suitable to exert undue influence on the decision-making process or cause bias. One member of the Supervisory Board, Dr. Paul Achleitner, has been a member of the Supervisory Board for more than 12 years. As such, the Supervisory Board does not consider him to be independent as defined in Section C.7 of the German Corporate Governance Code. However, the Supervisory Board does not have any concerns about Dr. Achleitner's impartiality or with respect to possible conflicts of interest as classified according to the German Corporate Governance Code. No member of either body can therefore be regarded as not independent according to ESRS.

Sustainability is one aspect of our strategy with which we want to promote positive contributions for people and the environment. Clear roles and responsibilities therefore ensure effective management. Chairman of the Board of Management (CEO) William N. (Bill) Anderson holds the function of Chief Sustainability Officer (CSO). Together with the full Board of Management, this role forms the first level of responsibility for managing the impacts, risks and opportunities associated with sustainability. An external Sustainability Council advises the Board of Management and offers a critical, constructive perspective. In addition, we have a Human Rights Officer who oversees the management of risks relating to human rights and provides updates to the Board of Management. The Board of Management is supported in its sustainability management by the Public Affairs, Sustainability & Safety Enabling Function and the associated global company organization. The head of Public Affairs, Sustainability & Safety reports directly to the Chairman of the Board of Management (CEO).

Since 2022, the Supervisory Board has included an ESG Committee. Serving on the ESG Committee are the Supervisory Board members Ertharin Cousin (Chairwoman), Yasmin Fahimi, Colleen A. Goggins, Heike Hausfeld, Kimberly Mathisen, Claudia Schade, André van Broich and Prof. Dr. Norbert Winkeljohann. This committee supports the full Supervisory Board in the oversight of the Board of Management as regards integrating sustainability into the business strategy and business conduct, as well as regarding sustainability-related risks and opportunities, including possible consequences for the company's reputation.

The Public Affairs, Sustainability & Safety Enabling Function supports the CSO and the Board of Management in identifying risks and opportunities, developing strategies and defining targets and guidelines for sustainability management. It safeguards the governance of sustainability matters and integrates management into existing structures. This embeds sustainability management into the existing management and governance structures and core processes of the organization. We have, for example, implemented an integrated risk management system designed to ensure the continued existence and future target attainment of the Group through the early identification, assessment and treatment of risks. Our risk management system is aligned with internationally recognized standards and principles such as the ISO 31000 standard of the International Organization for Standardization.

The Board of Management uses defined nonfinancial targets and metrics to steer the alignment of our strategy toward the Sustainable Development Goals of the United Nations. These are reflected in the Bayer Group's planning and steering process as management indicators and metrics. Our Group-wide sustainability targets are integrated into the compensation system for the Board of Management (please see the section "Integration of sustainability-related performance in incentive schemes [GOV-3]").

Wherever not immediately available, the Board of Management solicits specialist expertise on sustainability from, for example, the external Sustainability Council. Bayer's external Sustainability Council is composed of independent external specialists with comprehensive expertise in a multitude of sustainability matters. The council advises the Board of Management, the CSO, the Public Affairs, Sustainability & Safety Enabling Function and other relevant functions on all material impacts, risks and opportunities for Bayer.

Role of administrative, management and supervisory bodies in business conduct [G1.GOV-1]

Both the Board of Management and the Supervisory Board play a crucial role in managing our material impacts, risks and opportunities in the area of business conduct. Through our double materiality assessment, we have identified areas in which our company can achieve significant positive market impact, and we implement strategies, processes and measures to achieve our goals. When it comes to the business conduct practiced at Bayer, the Board of Management leads by example ("tone from the top") and passes this conduct on to the other levels of the company. This is supported by regular training measures on issues such as compliance or human rights and by an open communication culture that enables every employee, as well as external third parties, to voice concerns.

Integrity and compliance are central pillars of our corporate culture. Our globally valid Code of Conduct and our global compliance organization are intended to help all employees act according to legal requirements and ethical principles. The compliance organization is headed up by the General Counsel of Bayer AG in their role as the Group Compliance Officer, who reports directly to the Board of Management. To help ensure we identify risks as comprehensively as possible, we have established and continuously update a Bayer Risk Universe that reflects the company's potential risk categories. The Bayer Risk Universe also expressly accounts for risks of a nonfinancial nature that are linked to our own operations or to our business relationships, products and services. Risks that relate to environmental, employee and social matters, human rights, corruption and bribery are included as well. The Assurance Committee has the task of ensuring that all substantial risks are adequately addressed by way of suitable risk control measures. It is chaired by the Chief Financial Officer, with a second Board of Management member participating on a rotating basis. The Assurance Committee also regularly discusses the risk portfolio and the status of the risk control measures.

To ensure consideration of the various aspects of our business conduct, the Board of Management and Supervisory Board have specific specialist knowledge. The respective members benefit from our extensive program of training measures on subjects such as data protection, conflicts of interest, fairness and respect at work, and anti-corruption. In 2025, for example, members of the Board of Management and the Supervisory Board had the opportunity to complete the new training courses on data protection and antitrust law.

Strict guidelines and effective training measures on preventing corruption and on other relevant theme areas are integral elements of our compliance management system. We do not tolerate corruption and have clear rules and regulations that are supported by Group-wide training measures and a policy of the legal and compliance organization.

We endeavor to achieve the highest ethical standards in supplier management in the entire organization. The Procurement function helps to ensure that our procurement activities and supplier relations impact society and the environment as positively as possible. Our procurement policy is reflected in the Bayer Supplier Code of Conduct, which bindingly establishes our economic, ethical, social and environmental principles as regards suppliers.

Our political lobbying is transparent and based on high ethical standards. We have clear accountabilities for governing the exertion of political influence and strive to continuously increase the transparency of our political lobbying.

By integrating these aspects into our business conduct and through the active role played by the Board of Management and the Supervisory Board, we demonstrate our commitment to responsible business conduct and sustainability. Our continuous efforts to ensure integrity and compliance in all aspects of our own operations strengthen the trust of patients, farmers, consumers, shareholders, employees and society worldwide.

Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies [GOV-2]

Our double materiality assessment was conducted under the auspices of the Public Affairs, Sustainability & Safety Enabling Function, taking into account the requirements of the ESRS. The results were presented at a meeting of the Board of Management as well as to the ESG Committee of the Supervisory Board. The employee representatives were also informed of the results of the double materiality assessment and the contents of the Sustainability Statement. The members of the Supervisory Board also received training in 2025 on the sustainability matters of climate change and human rights. In addition, the Board of Management was informed twice in 2025 about the effectiveness of adopted strategies and measures such as compensation-relevant CO_2 emissions.

The divisions and enabling functions steer the sustainability-related impacts, risks and opportunities and are responsible for integrating them into processes and decision-making procedures. Prior to important transactions, a comprehensive due diligence assessment is carried out to ensure that potential risks and opportunities are evaluated and suitable solutions found to safeguard the interests of various stakeholders. Examples can be found in the approach to capital expenditure decisions, our operational procurement activity and our company culture.

- The Procurement Enabling Function steers sustainability in the supply chain. Procurement is responsible for establishing supply-chain-related targets together with the Public Affairs, Sustainability & Safety Enabling Function and meeting them together with the divisions. Procurement is also responsible for the Bayer Supplier Code of Conduct, which describes our minimum standards for supplier sustainability.
- The Human Resources area is responsible for integrating sustainability into Bayer culture, promoting sustainable conduct in accordance with our values, and establishing a dialogue-oriented culture based on fairness and respect at work, equitable compensation practices and good working conditions.
- Our activities in the Mergers and Acquisitions (M&A) area are a key driver of our long-term value creation strategy, with a focus on innovation-driven technology. Against this background, sustainability matters are a part of the decision-making process for acquisitions.

In 2025, the following topics in terms of material impacts, risks and opportunities were discussed by the administrative, management and supervisory bodies or their responsible committees:

// Progress with regard to implementing our climate strategy, our Transition and Transformation Plan and our GHG emissions reduction targets. This is allocable to the impacts, risks and opportunities of sustainability matters in the area of climate change.
// Progress with regard to our 100 million targets, particularly our initiative “100 Million Women by 2030 – Choice for Every One of Them,” which aims to provide women in low- and-middle income countries with access to modern contraception. This is allocable to the impacts, risks and opportunities of sustainability matters in the area of consumers and end-users.
// Progress with regard to reducing the environmental impacts of crop protection products. This is allocable to the impacts, risks and opportunities of sustainability matters in the area of environmental protection.
// Progress with regard to regenerative agriculture, biofuels and innovative cultivation systems. This is allocable to the impacts, risks and opportunities of sustainability matters in the area of biodiversity and ecosystems.
// Our global due diligence regarding human rights and our related management approach. This is allocable, for example, to the impacts, risks and opportunities of sustainability matters in the area of own workforce, workers in the value chain and affected communities.
// Our CSRD reporting, the double materiality assessment, the respective challenges and cooperation with the external Sustainability Council. This is allocable to the impacts, risks and opportunities in all sustainability matters.

Integration of sustainability-related performance in incentive schemes [GOV-3]

To link economic success with social and environmental responsibility, the compensation system for the Board of Management takes into account both Bayer’s financial success and sustainability-related performance aspects. The total compensation of the members of the Board of Management of Bayer AG comprises fixed and variable components. The variable components consist of short-term cash compensation (STI) and long-term cash compensation (LTI). The calculation model for long-term stock-based compensation (LTI) takes into account the attainment of targets newly established each year on the basis of our Group sustainability targets. Sustainability targets can also be accounted for within the individual targets to be newly established each year (multiplication factor of between 0.8 and 1.2) for the respective members of the Board of Management in connection with short-term variable compensation.

Within the scope of our Group sustainability targets through 2030, our 100 million targets and our greenhouse gas emissions reduction targets represent performance metrics that are integrated into the compensation policy for the Board of Management as performance benchmarks. The proportion of variable compensation for members of the Board of Management that is based on sustainability-related targets is determined by multiplying the weighting of the sustainability targets (20%) by the individual target amount as part of the long-term cash compensation plan, and then dividing that figure by the sum of the respective target amounts for the short- and long-term cash compensation plans. The Supervisory Board sets the Board of Management’s compensation pursuant to Section 87, Paragraph 1 of the German Stock Corporation Act (AktG). The Supervisory Board does not receive variable compensation components based on the attainment of established targets (including targets pertaining to the reduction of our greenhouse gas emissions).

Integration of climate-related performance in incentive schemes in the form of reduction targets [E1.GOV-3]

Our compensation system for the Board of Management takes into account our targets for reducing our greenhouse gas emissions. For the calculation of the LTI, the components of relative capital market performance and sustainability serve as a factor by which the change in the share price is multiplied. The relative capital market performance is weighted at 80% and sustainability at 20%. Greenhouse gas emissions reduction targets (10% weighting) and our social targets (10% weighting) each account for half of the sustainability component. Aggregated attainment of the Group sustainability targets amounted to 130% in 2025. In this aggregated target attainment, the compensation-relevant attainment levels came in at 100% for Scope 1 and 2 greenhouse gas emissions, at 100% for Scope 3 greenhouse

gas emissions from relevant categories and at 100% for the offsetting of the remaining Scope 1 and 2 greenhouse gas emissions. By including the targets in the calculation of the LTI, we want to drive forward their achievement.

Statement on due diligence [GOV-4]

Our due diligence responsibility includes identifying and addressing the negative impacts of our own operations on individuals and the environment. This continuous process reacts to changes in the strategy, business model and business relations according to the Guiding Principles on Business and Human Rights of the United Nations and the OECD Guidelines for Multinational Enterprises. Our measures are geared toward operating responsibly and fostering sustainable development. In terms of respecting human rights, for example, actions are taken both within our own operations and throughout our value chain. Corporate policies, processes and management and monitoring systems are in place to govern the implementation of human rights and environmental standards. In addition, we offer special training programs to continuously enhance employees' awareness of the importance of human rights in their day-to-day activities. This includes a basic training course entitled "Respecting Human Rights at Bayer." We also demand that our business partners, particularly our suppliers, fully respect human rights and environmental standards.

The core elements of the due diligence obligation can be found in various places in our Sustainability Statement:

A 4.1/3

Disclosures on core elements of due diligence

Elements	Paragraphs in the Sustainability Statement
Embedding due diligence in governance, strategy and business model	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies [GOV-2], Integration of sustainability-related performance in incentive schemes [GOV-3], Material impacts, risks and opportunities and their interaction with strategy and business model [SBM-3]
Engaging with affected stakeholders in all key steps of the due diligence	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies [GOV-2], Interests and views of stakeholders [SBM-2], Description of the processes to identify and assess material impacts, risks and opportunities [IRO-1], Minimum disclosure requirement – Policies MDR-P – Policies adopted to manage material sustainability matters [MDR-P] as well as topic-specific disclosures regarding management of material impacts, risks and opportunities
Identifying and assessing adverse impacts	Description of the processes to identify and assess material impacts, risks and opportunities [IRO-1], Material impacts, risks and opportunities and their interaction with strategy and business model [SBM-3]
Taking actions to address those adverse impacts	Topic-specific disclosures regarding transition plans as well as disclosures regarding management of material impacts, risks and opportunities
Tracking the effectiveness of these efforts and communicating	Topic-specific disclosures regarding metrics and targets

Risk management and internal controls over sustainability reporting [GOV-5]

To ensure reliable sustainability reporting, risks associated with the information acquisition and handling process are analyzed and mitigated through internal controls. The internal control actions are adapted to the respective process steps. We assess and prioritize risks related to sustainability reporting based on their likelihood and their potential impact. In 2025, we formalized respective controls as part of the Internal Control System over Sustainability Reporting (ICSoSR).

The material risks related to sustainability reporting pertain to incomplete or incorrect data that can arise both during data collection (e.g. at the sites, in the countries or in our functions) and during subsequent central calculation or consolidation, as well as the transference of metrics. There is also a

risk of imprecise or incomplete qualitative information, if not all regulatory requirements were observed or not all relevant internal stakeholders were integrated into the validation process. To mitigate these risks, we employ various types of controls such as the application of the dual control principle or automated data transfers.

As soon as we identify material risks in the reporting process, internal controls are developed to mitigate them. The corresponding information on the process risks and the implementation of the internal controls is passed on to our company's relevant internal functions and decision-makers. Both the Board of Management and the Supervisory Board are notified about the sustainability reporting process. In 2025, the Audit Committee of the Supervisory Board was particularly informed about the further development of the ICSoSR. We continuously evolve our internal controls, for example in connection with our double materiality assessment.

Strategy

To provide a comprehensive picture of the company's sustainability alignment and illustrate how we integrate environmental and social responsibility into our business processes, we share information about our corporate strategy, business models and stakeholder communication.

Strategy, business model and value chain [SBM-1]

The Bayer Group is operated as a life science company consisting of three divisions: Crop Science, Pharmaceuticals and Consumer Health. We contribute innovative healthcare and agriculture products to overcome fundamental challenges facing a growing and aging world population, to prevent diseases and to support the sustainable production of agricultural products according to our mission "Health for all, Hunger for none."

Group sales totaled €45,575 in 2025 (2024: €46,606 million. We had 89,237 employees worldwide as of December 31, 2025 (December 31, 2024: 94,081). In 2025, we had 39,258 (2024: 42,334) employees in Europe/Middle East/Africa, 18,710 (2024: 19,205) in North America, 19,265 (2024: 19,548) in Asia/Pacific and 12,004 (2024: 12,994) in Latin America. Calculated in full-time equivalents (FTEs), we employed 88,078 (2024: 92,815) people worldwide. We maintain chemical production activities in our Crop Science Division, posting sales here of €21,622 million in 2025 (2024: €22,259 million).

Our products

Our products help to find solutions for some of the biggest challenges of our time. A growing and aging world population requires an adequate supply of food and ever-improving medical care. Our research and development activities are therefore focused on improving people's quality of life by preventing, alleviating and treating diseases. We are also making an important contribution to providing a reliable supply of high-quality food, feed and plant-based raw materials. We systematically further developed our product portfolio in 2025. In the Pharmaceuticals Division, we successfully launched the products Lynkuet™ and Beyonttra™. In addition, the marketing of Hyrnuo™ expands our oncology business. Following successful divestments, the Androdur™ and Testoviron™ brands are no longer part of our portfolio. We also further developed our portfolio in the Consumer Health Division, for example with the market launch of MiraFAST™ as part of the MiraLAX™ product range in the United States and through the CanesMeno™ Hub information portal with the associated product line in the United Kingdom. We also acquired Natsana GmbH, an online supplier of natural supplements. In the Crop Science Division, we pressed ahead with the launch of Preceon™, particularly in the United States. On the other hand, Movento™ was taken off the market in the EU.

Most of our finished products, such as pharmaceuticals, crop protection products or some varieties of seeds, are subject to very stringent regulations prescribing specific and extensive approval and registration procedures. As a result, our products cannot be sold on the market until they have been approved by a competent authority, or an official registration has been granted. As a condition of their approval, the prescribed efficacy and safety of the individual products must always be demonstrated as proven. An approval therefore only applies for a particular product with the formulation registered in the marketing authorization. Changes in the product composition (such as new formulations for crop protection products) require an additional authorization or registration.

Regulatory authorities in a country can, in principle, withdraw or substantially restrict the registration for a pharmaceutical or crop protection product and thus prohibit or limit the sale of a product or product group in a market. Some restrictions pertained in the past to the neonicotinoids product group in the European Union, for example. Our approval for this product group in other markets is still valid (such as in the United States and Brazil). In certain cases, we offer crop protection products that are only approved or registered for certain applications in certain countries due, for example, to the conditions prevailing there (including climatic conditions, cultivated crops and the risk of insect pest or fungal infestation). In such cases, it is possible that these products might not or no longer be approved in other markets (such as the European Union). This also applies to our seed business, where we have submitted registration applications for certain varieties with traits in selected markets only (including the United States and Brazil).

In some cases, we have voluntarily discontinued the commercialization of products in previous years and have no longer utilized or pursued the related product registrations (e.g. for carbendazim-based products). In a limited number of cases, we hold product registrations in individual countries even though we do not actively have any products on the market.

Our divisions

Our Crop Science Division operates in the agricultural sector, offering a broad portfolio in the areas of crop protection and seeds & traits that is distributed particularly through wholesalers and retailers, as well as directly to farmers. Our product range comprises high-quality seeds and innovative crop protection solutions, as well as comprehensive services for agriculture.

Our Pharmaceuticals Division focuses on prescription products, especially in the areas of cardiovascular diseases and women's health, and on specialty therapeutics in the fields of oncology, hematology and ophthalmology. The division also comprises the radiology business, which markets diagnostic imaging equipment together with the necessary contrast agents. We distribute our prescription products in particular through wholesalers, pharmacies and hospitals.

The Consumer Health Division primarily markets nonprescription (OTC = over-the-counter) products in the dermatology, nutritional supplements, pain, digestive health, allergy, and cough and cold categories. These products are distributed particularly through pharmacies, supermarkets and online retailers.

Our value chains

The crop protection value chain encompasses various steps from the extraction of raw materials to the end-customer. The process starts with the research and development of products on the one hand, and with the extraction of raw materials and with the suppliers who provide the necessary raw materials and chemicals on the other. This is followed by the production of the active ingredients. The next step involves the formulation and packaging of crop protection products before these are transported to a country-specific warehouse. The value chain in the area of seeds & traits starts with research and development, more specifically the breeding of seeds and the development and integration of innovative traits, followed by commercial seed production, which serves as the basis for high-quality products. The seed production process is followed by the purification, processing and packaging stages, which ensure that the seeds meet the quality standards and are ready for distribution. The packaged seed is then transported to regional and national warehouses, which ensures efficient logistics and availability in the target markets. The value chain in the area of digital farming ranges from the development of innovative products and software solutions through data management to analysis and provides farmers with precise insights and decision-making tools. Our seed and crop protection products are generally sold to farmers by distributors, wholesalers and retailers. With our seed and crop protection products, as well as with our digital services and the associated value chains, we are at the start of the agricultural production value chain. The focus is on the farmers, who are the ones deciding on the use of the products, which can be supplied by us or other companies. The next links in this value chain are usually distributors, agricultural enterprises (in the case of use as animal feed), food processors and food retailers (as part of the subsequent food value chain), who further process and distribute the products to end-consumers. Agricultural products can also be present in other value chains (such as for fuels).

The value chain in the pharmaceutical sector begins with the research and development of new therapeutics and runs through their preclinical and clinical testing, the approval process, and finally their production (including the upstream value chain) and commercialization. Of significant importance are quality control and the management of clinical data to ensure the safety and efficacy of therapeutics. Drug products are supplied to health facilities, wholesalers and pharmacies with the support of the marketing and distribution functions. From there, they are made available to patients. The value chain in the area of medical diagnostics begins with research and development as the basis for innovative diagnostic solutions aimed at identifying diseases precisely and efficiently. This is followed by production (including the upstream value chain), distribution through a global pharmaceutical diagnostics supply chain, and the use of diagnostic products in medical facilities. Pharmaceutical products are largely marketed and distributed by wholesalers/distributors to pharmacies, to which consumers make a copayment to receive the products.

The value chain of our Consumer Health business starts with the procurement of raw materials, followed by their processing, formulation and packaging, before the finished product is sent from the warehouses to the end-customers through various distribution channels. Wholesalers play a moderate to major role in most regions. Retailers and pharmacy chains are material to the distribution of our Consumer Health products, especially in North America (United States). The importance of distributors varies by market area and is especially pronounced in the Europe/Middle East/Africa and Asia/Pacific regions. Direct deliveries, particularly to hospitals, occur less frequently. In most regions, governments play only a very limited distribution role. For further information on our business model and our value chains, please see Chapter A 1 Fundamental Information about the Group.

Our sustainability targets

In our **Crop Science** Division, we support smallholder farmers with access to high-quality seed and crop protection products, technologies and services. We want to support a total of 100 million smallholder farmers in low- and middle-income countries (LMICs) by 2030 by improving their access to agricultural products and services, including in collaboration with our partners. For more details, please see the section “Supporting 100 million smallholder farmers in low- and middle-income countries (LMICs)” in Chapter A 4.3.4 Consumers and End-Users.

In our **Pharmaceuticals** Division, our sales activities with modern contraceptive products support global aid programs (such as the United Nations Population Fund, UNFPA), which we supply with the products on favorable terms. Alongside product sales, we are also engaged in partnerships such as The Challenge Initiative with the Gates Institute at Johns Hopkins University. The partnership programs supported by us help numerous women in Asia and Africa gain access to modern contraception, irrespective of the selected method or manufacturer. We aim to fulfill the need of 100 million women in low- and middle-income countries for modern contraception by 2030. For more details, please see the section “Enabling 100 million women to gain access to modern contraception” in Chapter A 4.3.4 Consumers and End-Users.

In our **Consumer Health** Division, we expand access to everyday healthcare for people in underserved regions. We want to support 100 million people in economically or medically underserved communities with our self-care interventions in 2030. We leverage our global brands and partnerships to develop and adapt self-care solutions for low-income consumers, bring targeted health education to communities who need it most, establish critical distribution channels, and advocate globally for science-based and accessible self-care. For more details, please see the section “Supporting 100 million people in underserved communities with self-care” in Chapter A 4.3.4 Consumers and End-Users.

Within the scope of our **climate strategy**, we want to continuously reduce greenhouse gas emissions at our company and across our entire value chain in accordance with the UN SDGs and the Paris Agreement to limit global warming to 1.5° C. Our goal is to achieve net zero greenhouse gas emissions throughout the value chain (Scope 1, 2 and 3) by 2050 at the latest. For more information, please see Chapter A 4.2.2 Climate Change.

Interests and views of stakeholders [SBM-2]

As a company, we are a part of society and public life. We place great importance on maintaining continuous dialogue with our stakeholders, as their expectations and perspectives significantly influence our societal acceptance and, consequently, our business success. Stakeholder dialogue helps us to recognize important trends and developments in society and our markets at an early stage and take this information into account when shaping our business.

We fundamentally distinguish between four stakeholder groups with which we engage in discussions on different issues: partners, financial market participants, societal stakeholders and regulators. We view suppliers, customers and consumers, employees, associations and universities as partners. We regard rating agencies, banks and investors as financial market participants. For us, additional stakeholder groups include societal associations such as nongovernmental organizations, competitors and the public in general. We regard politicians, regulatory authorities and legislators as belonging to the regulators' stakeholder group.

We assess the expectations and demands of our stakeholders through the double materiality assessment, which includes the viewpoints of external stakeholders and internal company executives through dialogue sessions and surveys, for example. The results reveal the latest developments along with sustainability-related impacts, opportunities and risks. Fields of activity with particularly high relevance are accounted for in the strategic focus area of sustainability, for example in the definition of nonfinancial Group targets.

Our stakeholder dialogue varies based on the specific theme area. A number of themes are addressed globally for the entire company, and thus organized by the Public Affairs, Sustainability & Safety Enabling Function. Local issues (such as with patients, residents or customers) are often organized by our divisions. Our Bayer Societal Engagement (BASE) principles form the basis for our dialogue. These describe how we interact worldwide not just with our employees, but also with patients, customers, consumers, business partners, political stakeholders, scientists, critics and our shareholders.

The results of the stakeholder dialogue are factored into in our decision-making processes in various ways, depending on the respective issue and stakeholder group. For example, we use findings from the discussions with our customers for decision-making processes in connection with research and development. We also use feedback from the societal spectrum, especially for decisions at the local level. Feedback from financial market participants and regulators is essential for our business and is therefore integrated into our business strategy.

The Sustainability Council informs the Board of Management, the CSO, the Public Affairs, Sustainability & Safety Enabling Function and other relevant functions about the societal stakeholders' interests. Relevant human rights issues are taken directly to the Board of Management by our Human Rights Officer. This occurred once in 2025 (2024: three times). The duties of the ESG Committee of the Supervisory Board relate to sustainable business conduct in the areas of environmental protection, social issues and good governance. This includes the integration of sustainability into the business strategy, the establishment of sustainability targets and the monitoring of nonmandatory ESG reporting. Its tasks include advising the Board of Management in its field of competence and preparing possible Supervisory Board resolutions that need to be made with respect to these questions.

In 2025, we engaged in intensive discussions with our stakeholders on numerous sustainability topics, in particular regenerative agriculture, healthcare, nutrition, climate change, biodiversity and water, taxes, political lobbying, poverty alleviation and family planning. Examples include our contributions to the COP 30 in Belém, Brazil; the World Economic Forum (WEF) Annual Meeting in Davos, Switzerland (Zero Hunger Pledge and the Biodiversity Credit Coalition); our participation in the London Climate Week in the United Kingdom and the Climate Week in New York, United States; the annual OECD Global Forum on Agriculture for an international exchange on agrarian policy with political decision-makers and experts; and numerous events on the topic of regenerative agriculture.

The feedback from our customers and consumers impacts the business strategy of our divisions and thus also the prioritization of research and development projects. The responses from the societal stakeholder groups and financial market participants were relevant in the preparation of our sustainability strategy, such as when defining the focus on areas such as climate protection. We want to more intensively address the issues of biodiversity and resource scarcity, particularly in agriculture. Against the background of widely varying challenges across the different regions (e.g. due to cultivated field crops, climatic conditions, mechanization or water availability), we want to further expand our concept of regenerative agriculture over the long term. In this connection, we engaged with farmers, associations and food industry players in various ways again in 2025. We want to remain in dialogue with our stakeholders on the basis of our BASE principles.

Interests and views of stakeholders as regards own workforce [S1.SBM-2]

Employee interests are of central importance to us and are taken into account in decision-making processes. We ensure this through various formats. Examples include the global employee survey (Ownership Pulse) or surveys on the understanding and application of our Dynamic Shared Ownership (DSO) operating model. We also maintain dialogue formats, such as coffee chats with the Board of Management and area heads, as well as town hall meetings to obtain opinions and questions from Bayer's own workforce and factored them into impending decisions. We also ensure that our employees' voices are heard at all times through regular communication and transparent channels for voicing concerns about possible compliance violations (Speak Up Channel). Furthermore, in Germany, for example, our own employees elect their representatives in works council elections held every four years. The same applies to the election of the Managerial Employees' Committee and of the disabled employees' representatives. Our works council members also engage in regular discourse with personnel liaison officers and union representatives to voice their interests and communicate them to the employer. The legally required employee assemblies also serve the purpose of informing the company's own workforce about current topics, obtaining feedback and correspondingly taking this feedback into account.

Within the scope of our due diligence, we ensure that the interests and perspectives of our workforce are identified in order to incorporate their opinions and concerns into our strategic decisions. In various countries (such as Germany, where we have the greatest number of employees) there is a right of information or codetermination for various issues that is exercised through works councils. We additionally factor in the employees' perspectives and interests through dialogue formats and other measures. The findings are also integrated into our double materiality assessment process through the responsible topic experts.

Both our Board of Management and our Supervisory Board are continuously notified about the perspectives and interests of our workforce, for which Heike Prinz is responsible on the Board of Management as Chief Talent Officer and Labor Director. On the Supervisory Board, 10 employee representatives also represent these perspectives and interests. Various dialogue formats between representatives of the Board of Management and the workforce are also in place to gather employees' perspectives and consider them in our decision-making processes.

Interests and views of stakeholders related to workers in the value chain [S2.SBM-2]

It is very important to us to take into account the interests of those affected by our activities. We want to perform our due diligence for constructive stakeholder involvement and are working on a concept that incorporates the interests of those affected. For more on our current efforts, please see the section "Processes for engaging with value chain workers about impacts [S2-2]" in Chapter A 4.3.2 Workers in the Value Chain.

We also require our suppliers to adhere to our ethical and social principles, including respect for human rights. This is supported by the implementation of risk analyses with regard to human rights and risk-based oversight measures for suppliers, focusing especially on high-risk countries.

We strive to comprehensively understand the interests and perspectives of workers in our value chain. Our direct dialogue with suppliers and other stakeholders helps us to develop our stakeholder engagement concept. In addition, we actively participate in committees and initiatives such as the corresponding working groups of econsense, where we have overseen the topics of human rights and industry since 2022, and participate in the Business for Social Responsibility (BSR) initiative. The findings obtained are integrated into our double materiality assessment process through the responsible topic experts and were also accounted for in our human rights risk assessment conducted in 2022.

Both our Human Rights Officer and the members of our Sustainability Council can inform the Board of Management about the perspectives and interests of workers in the value chain. Our Human Rights Officer also regularly notifies the Board of Management and the ESG Committee of the Supervisory Board about the perspectives and interests of the impacted stakeholders, including workers in the value chain. The Human Rights Officer is responsible for overseeing human rights risk management and regularly engages in discourse with the Board of Management, reports on human-rights-related activities and informs the Board at least once per year and on an ad hoc basis about current developments.

Interests and views of stakeholders related to affected communities [S3.SBM-2]

We analyze the impacts of our own operations on affected communities according to ESRS and implement suitable protective measures where necessary to minimize any negative consequences and foster stakeholder trust. We focus on communities that are located near our operating sites or affected along our value chain. Through risk management and by accounting for their needs, we strive to establish positive long-term relationships and respect human rights. Bayer does not currently pursue a generally applicable approach for the involvement of affected communities.

We strive to comprehensively understand the interests and perspectives of affected communities through risk management at our sites. The findings obtained are integrated into our double materiality assessment process through the responsible topic experts and were also factored into our human rights risk assessment conducted in 2022.

Both our Human Rights Officer and the members of our Sustainability Council can inform the Board of Management about the perspectives and interests of affected communities according to ESRS. Our Human Rights Officer also regularly notifies the Board of Management and the ESG Committee of the Supervisory Board about the perspectives and interests of the impacted stakeholders, including affected communities according to ESRS. The Human Rights Officer is responsible for overseeing human rights risk management and regularly engages in discourse with the Board of Management, reports on human-rights-related activities and informs the Board at least once per year and on an ad hoc basis about current developments.

Interests and views of stakeholders related to consumers and end-users [S4.SBM-2]

We systematically integrate the interests and perspectives of our consumers and end-users into our strategy and business model. Our activities focus on product stewardship, whereby we ensure that our products meet the highest quality standards and are safe for people and the environment when used as intended. We identify the social impacts on consumers, particularly in relation to their health and safety, and actively manage these impacts as early as during the research and development stage of our products. Our healthcare and agriculture innovations have positive impacts on society, for example in feeding a growing world population and strengthening women’s independence.

We maintain direct contact with our consumers and end-users. For example, the global network of Bayer ForwardFarming comprises 16 farms on four continents that aim to exchange agricultural practices and to promote regenerative agriculture in communities through targeted support. Another important element of our work is trustful dialogue with patient organizations. Such collaborations help us to understand the needs of our patients as they deal with their illness. This allows us to align our research and development with these needs and continue to work on new and improved medicines and therapies. We cooperate with patient organizations in a wide range of therapeutic areas, and we place tremendous value on transparency and respect the independence of our cooperation partners.

By introducing a new operating model (Dynamic Shared Ownership) that also focuses on the interests of our customers during internal decision-making processes, we strive to react even more quickly to the needs and expectations of our end-users.

Material impacts, risks and opportunities and their interaction with strategy and business model [SBM-3]

Through our double materiality assessment, we have identified several material impacts, risks and opportunities in our own operations and in the upstream and downstream value chains. These impacts, risks and opportunities comprise, for example, possible environmental and health risks, social challenges in the workplace and the potential for innovation and sustainable development in the value chain. They are explained in the respective thematic sections.

The revision of our double materiality assessment in 2025 resulted in changes with regard to the material impacts, risks and opportunities. These changes were attributable particularly to the revised aggregation of the impacts, risks and opportunities. For example, we revised and combined a number of impacts, risks and opportunities regarding the area of own workforce. Despite the modified aggregation level, the scope of the identified sustainability matters according to ESRS has not changed. Certain impacts, risks and opportunities were assessed differently in the revised double materiality assessment than they were in the previous year. For example, the positive impact with regard to waste reduction through the recycling and reuse of materials from production processes was now assessed as nonmaterial. Other impacts, risks and opportunities were newly included in the double materiality assessment and classified as material, such as the favorable impact of Bayer's positive influence on suppliers in terms of improving social and ecological standards. All identified material impacts, risks and opportunities fall under the disclosure requirements of the ESRS.

In particular, the challenges posed by climate change and the associated financial risks for us and our agricultural customers, as well as the opportunities and potentially positive impacts we can have with our products, have prompted us to adapt our business strategies in recent years. We therefore promote a concept of regenerative agriculture that is defined as an outcome-driven cropping system aimed at strengthening the resilience of agricultural production. This concept is based on two interconnected objectives: helping farmers maintain or increase yields with reduced application of agricultural inputs for improved social and economic wellbeing outcomes; and regeneration, which prioritizes a positive impact on nature. This second aspect includes efforts such as striving to improve soil health, preserving and restoring biodiversity in areas devoted to agriculture, conserving water resources, and reducing field-level greenhouse gas emissions and increasing carbon sequestration. While many of our products help enable farmers to implement practices that contribute to regenerative agriculture, some of the innovations and applications we have developed have the potential to shape the future of regenerative farming through changes in the current production system (e.g. short-stature corn, hybrid wheat and direct seeded rice).

For the 2025 reporting year, there were no material current financial effects according to ESRS due to material risks and opportunities related to sustainability matters. While sustainability-related risks and opportunities could essentially impact companies' financial positions, results of operations or cash flows, we currently do not see any indications of material risks and opportunities that could lead in the next reporting period to a substantial risk of a material adjustment of the carrying amounts.

The material impacts resulting from our own operations and activities in our value chain pertain to environmental, social and governance matters. In terms of the environment, it is climate protection and adaptation to climate change that are of substantial importance to us. We see negative environmental impacts, particularly due to greenhouse gas emissions from our supply chain, our own production processes and our downstream value chain. The emission of greenhouse gases can lead to financial risks stemming from the physical effects of climate change and from transition risks. Opportunities for our innovations also result from the need for products and technologies to reduce the greenhouse gas emissions associated with farming and to adapt to the effects of climate change, both in agriculture and healthcare. Products containing substances of (very high) concern according to ESRS also harbor several potentially negative effects. These include possible impacts on the environment through uncontrolled release into the air, water and soil that could be caused, for example, by environmental

incidents, improper use of products or improper disposal of waste. Furthermore, water is an integral factor in agriculture. Both we and our suppliers, but especially our customers, depend on water as a resource. However, we also see potential positive impacts on water use through our product innovations and the application of modern agronomic practices such as the transition to direct seeded rice (DSR).

In connection with social aspects, the focus is particularly on respecting human rights. We have a large workforce at many sites, which is associated with several potential social impacts. These include potential impacts on personal freedoms and human rights, and the impacts on the communities in which we operate. Our products' positive contributions are also material, as they can favorably affect the health and nutrition of patients, end-users and consumers who in most cases are not our direct customers. These positive effects are a significant component of our business model and are ideal in helping to improve the quality of life of a very large number of people. There are potential impacts in connection with business conduct due to the large workforce, the global business and the dependency on partners in the value chain.

Our business models are also based on contributions from the upstream value chain, which can also be associated with potential impacts on the human rights of workers in the value chain, such as seed producers. With the help of our concepts and measures explained in this report, we are committed to promoting ethical standards and responsible practices in all areas of our business model.

There are different time horizons in which the identified impacts, risks and opportunities can be realized. We estimate that short-term impacts such as possible regulatory changes and market adjustments can be realized over a short- to medium-term period of one to five years. We expect long-term impacts pertaining to the environment and social aspects, such as the physical effects of climate change, biodiversity loss and the development of human rights in our supply chains, over a long-term period of 5 to 10 years or longer.

We currently believe that our strategy and business model – particularly with regard to focusing our agricultural products and innovations toward the concept of regenerative agriculture – enable us to manage material impacts and risks, as well as leverage opportunities.

A 4.1/4

Material impacts, risks and opportunities

Sustainability matter	Classification	Description	Placement in the value chain	Time horizon
Climate change [ESRS E1]				
Climate change adaptation	Potential positive impact	Contribution to food security due to the use of products adapted to climate change and support for farmers in the transition toward regenerative agricultural systems	Downstream	Long-term
Climate change adaptation	Potential positive impact	Alleviation of significant health impacts caused by climate change	Downstream	Long-term
Climate change adaptation	Financial risk	Loss of sales due to a product portfolio unsuited to significantly changed climate conditions	Own operations, downstream	Medium-, long-term
Climate change adaptation	Financial risk	Production disruptions through extreme weather events and natural disasters	Own operations	Short-, medium-, long-term
Climate change adaptation	Financial opportunity	Value creation from business models for climate change adaptation and regenerative agriculture	Own operations	Medium-, long-term
Climate change mitigation	Actual negative impact	Contribution to climate change due to the emission of greenhouse gases	Upstream and downstream, own operations	Short-, medium-, long-term
Climate change mitigation	Actual negative impact	Impact on climate change from the agricultural, food, feed and biofuel value chains, as well as due to food loss	Downstream	Long-term
Climate change mitigation	Potential positive impact	Mitigation of climate change due to carbon sequestration and greenhouse gas reduction	Downstream	Medium-, long-term

Material impacts, risks and opportunities

Sustainability matter	Classification	Description	Placement in the value chain	Time horizon
Climate change mitigation	Financial risk	Additional costs to adapt to new climate-change-related regulations and laws	Upstream, own operations	Medium-, long-term
Energy	Actual negative impact	Use of fossil fuels for energy generation or production	Upstream and downstream, own operations	Short-, medium-, long-term
Pollution [ESRS E2]				
Air pollution	Potential negative impact	Reduction of air quality due to air emissions from incidents in sourcing, development and production processes	Own operations	Short-, medium-, long-term
Air pollution; water pollution	Financial risk	Harm to health and the environment, operational disruptions and loss of reputation due to incidents	Own operations	Short-, medium-, long-term
Water pollution	Potential negative impact	Reduction of water quality due to water emissions from incidents in sourcing, development and production processes	Own operations	Short-, medium-, long-term
Water pollution; soil pollution	Financial risk	Remediation costs and loss of reputation in case of soil and groundwater contamination	Own operations	Medium-, long-term
Substances of concern	Potential negative impact	Environmental risks due to the handling of substances of concern	Own operations	Short-, medium-, long-term
Substances of concern	Financial risk	Loss of sales due to regulatory restrictions, for example regarding substances of concern	Own operations	Medium-, long-term
Substances of very high concern	Potential negative impact	Environmental risks due to the handling of substances of very high concern	Own operations	Short-, medium-, long-term
Substances of very high concern	Financial risk	Loss of sales due to regulatory restrictions for products containing substances of very high concern	Own operations	Medium-term
Water and marine resources [ESRS E3]				
Water withdrawal	Actual positive impact	Reduction of local water stress due to innovative products and regenerative agricultural practices	Downstream	Short-, medium-, long-term
Water withdrawal	Actual negative impact	Reduction of water availability due to water withdrawal and consumption for our production processes, especially in water stress areas	Own operations	Short-, medium-, long-term
Biodiversity and ecosystems [ESRS E4]				
Land-use change, fresh water-use change and sea-use change	Potential positive impact	Enabling farmers to increase their yields while reducing environmental impacts	Downstream	Medium-, long-term
Land degradation	Potential negative impact	Contribution to soil degradation and species decline in flora and fauna on farmland in case regulatory safety thresholds are exceeded when our products are used	Downstream	Short-, medium-, long-term
Others	Financial risk	Negative public perception due to our products and business practices	Own operations	Medium-, long-term
Circular economy [ESRS E5]				
Waste	Actual negative impact	Resource depletion due to nonrecyclable waste	Upstream, own operations	Short-, medium-, long-term
Own workforce [ESRS S1]				
Secure employment	Potential negative impact	Threatened job security due to restructuring	Own operations	Short-, medium-, long-term
Adequate wages	Potential negative impact	If Bayer fails to pay adequate wages, employees may struggle to meet basic cultural and social living standards	Own operations	Short-, medium-, long-term
Social dialogue	Actual positive impact	Promoting social dialogue through a feedback-oriented culture	Own operations	Short-, medium-, long-term
Freedom of association, the existence of works councils and the information, consultation and participation rights of workers	Potential negative impact	Inadequate representation of employee interests in management decisions	Own operations	Short-, medium-, long-term

Material impacts, risks and opportunities

Sustainability matter	Classification	Description	Placement in the value chain	Time horizon
Health and safety	Actual positive impact	Fostering health and safety at work as a responsible employer	Own operations	Short-, medium-, long-term
Health and safety	Actual negative impact	Physical or psychological injuries of employees due to work-related incidents	Own operations	Short-, medium-, long-term
Health and safety	Financial risk	Loss of talents, brand reputation and customer loyalty in the event of workplace violence	Own operations	Short-, medium-, long-term
Gender equality and equal pay for work of equal value	Financial risk	Loss of reputation and legal consequences due to a lack of fairness and equal opportunity in the workplace	Own operations	Short-, medium-, long-term
Training and skills development	Actual positive impact	Continuous employee training to improve employability	Own operations	Short-, medium-, long-term
Training and skills development	Actual positive impact	Sensitizing employees to human rights through training measures	Own operations	Short-, medium-, long-term
Training and skills development	Financial opportunity	Enhanced innovation and performance due to effective talent management and equal opportunity	Own operations	Medium-, long-term
Diversity	Actual positive impact	Diverse teams at Bayer represent diversity of perspectives and life experience resulting in better decision making	Own operations	Short-, medium-, long-term
Workers in the value chain [ESRS S2]				
Health and safety	Actual negative impact	Reliance on suppliers for human rights implementation in clinical trials	Upstream	Short-, medium-, long-term
Health and safety	Potential negative impact	Undetected illegal practices due to control gaps in supplier management	Upstream	Short-, medium-, long-term
Working conditions	Financial risk	Breach of sustainability-related provisions of our Bayer Supplier Code of Conduct by external partners	Upstream, own operations	Short-, medium-, long-term
Working conditions	Financial risk	Financial consequences due to human rights violations in value chains	Upstream, own operations	Short-, medium-, long-term
Affected communities [ESRS S3]				
Communities' economic, social and cultural rights	Potential negative impact	Restricted community access to basic resources due to excessive resource consumption	Own operations	Medium-, long-term
Communities' economic, social and cultural rights	Potential negative impact	Restricted community access to basic resources due to industrial incidents	Own operations	Short-, medium-, long-term
Consumers and end-users [ESRS S4]				
Access to (quality) information	Actual positive impact	Ensure appropriate packaging with clear guidance on proper use of our products	Downstream	Short-, medium-, long-term
Access to (quality) information	Potential positive impact	Perception as a role model for providing access to information	Downstream	Short-, medium-, long-term
Health and safety	Actual negative impact	Health risks due to improper use of products by end-users	Downstream	Short-, medium-, long-term
Health and safety	Financial risk	Loss of sales and reputation due to falsification, counterfeit, diversion or misuse of Bayer products	Own operations	Short-, medium-, long-term
Health and safety	Financial risk	Regulatory restrictions as a consequence of misapplication or misuse of crop protection products	Own operations	Medium-, long-term
Access to products and services	Actual positive impact	Positive impacts on women's health, gender equality and socioeconomic development through availability of contraceptives	Downstream	Short-, medium-, long-term
Access to products and services	Actual positive impact	Positive impacts on farming through digitalization and use of technology	Downstream	Short-, medium-, long-term
Access to products and services	Actual positive impact	Improving healthcare through treatments, therapies and nutritional supplements	Downstream	Short-, medium-, long-term
Access to products and services	Actual positive impact	Improved food security due to availability of seeds and affordable food products	Downstream	Short-, medium-, long-term
Access to products and services	Potential positive impact	Support for smallholder farmers improving local socioeconomic status	Downstream	Short-, medium-, long-term

Material impacts, risks and opportunities

Sustainability matter	Classification	Description	Placement in the value chain	Time horizon
Access to products and services	Potential negative impact	Reduced affordability of pharmaceutical products due to high prices	Downstream	Short-, medium-, long-term
Access to products and services	Financial opportunity	Value creation from business models focusing on aging population trends and climate change impacts on health	Own operations	Medium-, long-term
Access to products and services	Financial opportunity	Harnessing scientific breakthroughs for innovative therapies in pharmaceuticals	Own operations	Medium-, long-term
Business conduct [ESRS G1]				
Corporate culture	Actual positive impact	Influence on suppliers to improve social and environmental standards	Upstream, own operations	Short-, medium-, long-term
Corporate culture	Potential positive impact	Industry role model for ethical standards	Own operations	Short-, medium-, long-term
Corporate culture	Financial risk	Risk to license-to-operate in case of potential noncompliance with human rights	Own operations	Short-, medium-, long-term
Political engagement	Actual positive impact	Positive impact through lobbying for social issues and climate change mitigation	Own operations	Short-, medium-, long-term
Political engagement	Actual positive impact	Contribution to public discourse through transparent and open communication on health and nutrition	Own operations	Short-, medium-, long-term
Corruption and bribery	Financial risk	Negative public perception and potential substantial fines in case of anti-competitive behavior	Own operations	Short-, medium-, long-term
Corruption and bribery	Financial risk	Negative public perception and potential substantial fines in case of corruptive behavior	Own operations	Short-, medium-, long-term
Corruption and bribery	Financial risk	Negative public perception in case of data privacy violations	Own operations	Short-, medium-, long-term

Impact, risk and opportunity management

Through a double materiality assessment, we identify material impacts and material financial risks and opportunities with regard to environment, social affairs and governance matters. We therefore report both overarchingly and on an issue-related basis on the processes and procedures for identifying impacts, risks and opportunities.

Description of the processes to identify and assess material impacts, risks and opportunities [IRO-1]

In 2025, we conducted a double materiality assessment in accordance with the ESRS. This assessment was based on extensive experiences and methods from earlier evaluations, such as our double materiality assessment in the previous year, our human rights risk assessment and the climate scenario analysis. In our analysis, we made the assumption that the planetary limits and the needs of our stakeholders are especially crucial for identifying issues. We also assumed that regulatory changes, economic conditions, technological progress, environmental changes and sustainability in the value chains will continue to significantly impact the materiality of certain aspects in the future.

There are several elements to our process for identifying, evaluating, prioritizing and monitoring the impacts on people and the environment. First, we identify potential material impacts by conducting comprehensive research, followed by a detailed assessment by our internal subject matter experts. Our experts also have the relevant knowledge regarding the opinions and perspectives of our external stakeholders. We then apply specific thresholds to prioritize the materiality of the identified impacts. Our process takes into account all significant activities and business relations in the Crop Science, Pharmaceuticals and Consumer Health divisions, as well as in our enabling functions. Here we particularly focus on our production activities and the resources used during these processes that can lead to an elevated risk of adverse effects. The process thus also involves analyzing the impacts that can result both from our own activities, such as research, development and production, and from our business relationships in the upstream and downstream value chain.

When conducting the double materiality assessment, we consult both external and internal experts to take into consideration the perspectives of affected stakeholders. Here we collaborate closely with our Sustainability Council, which comprises external sustainability experts. Before the evaluation of materiality begins, the Sustainability Council receives the list of potential key impacts, reviews it and suggests corresponding additional entries. This is intended to ensure that the opinions and concerns of relevant internal and external stakeholder groups are adequately taken into account. To prioritize and determine impact materiality, we use an average view with a threshold of 2.5 on a scale of 1 to 5. In our process, we prioritize impacts related to human rights by giving precedence to severity over likelihood.

The process for identifying, evaluating and prioritizing the financial risks and opportunities was implemented in close coordination with the Group-wide opportunity and risk management system. Under the ERM risk management process, risks are identified by risk managers in the divisions and enabling functions, taking into account a continuously updated risk universe that also includes ESG-related risks. ESG-related opportunities are also identified through the analysis of internal and external factors that influence our business.

The identified risks and opportunities are evaluated with regard to their potential scale and probability of occurrence using the risk assessment matrix. The evaluation of the scale is quantitative and/or qualitative and reflects a possible influence on cash flow. For the presentation in our Sustainability Statement, we define all ESG-related risks as material once they exceed the fundamental thresholds, which we have defined in the risk assessment matrix (more than €500 million potential damages). We define ESG-related opportunities as material once they have exceeded the thresholds of the risk assessment matrix for reporting in the Opportunity and Risk Report (more than €1,500 million potential damages and below 10% likelihood of occurrence or more than €750 million potential damages and above 10% likelihood of occurrence). For more information on our Group-wide opportunity and risk management system, please see Chapter A 3.2 Opportunity and Risk Report.

We take into account the material impacts as the input for identifying ESG-related financial risks and opportunities. This approach enables us to understand the potential links between the identified impacts and the associated financial risks and opportunities.

Within the scope of our risk management, sustainability risks are treated with equal importance to the other risk categories. The results of the materiality assessment are approved by the Board of Management to ensure that the material impacts, risks and opportunities are accounted for in strategic decisions. The management team of our Public Affairs, Sustainability and Safety Enabling Function contributes to the process for identifying, evaluating and managing impacts and risks, thereby enabling integration into the general management of our company. This also applies to the process for identifying, evaluating and managing opportunities.

The specific parameters and data sources used in the implementation of our double materiality assessment encompass internal data from our departments and the external perspectives of relevant stakeholders such as regulatory authorities, environmental organizations, suppliers, capital market participants, industry associations, customers, academic institutions and health services providers. We have already reinforced our entire process through various validation activities and are thereby further developing our internal control system. In 2025, we improved our methodology for identifying material impacts by increasing the number of internally involved subject matter experts, for example. We also improved our process for identifying material risks and opportunities by synchronizing it with our Group-wide opportunity and risk management system.

Description of the processes to identify and assess material climate-related impacts, risks and opportunities [E1.IRO-1]

In conducting our double materiality assessment, we analyzed impacts, risks and opportunities related to climate change. Here we particularly took into account the following sustainability matters:

// Climate change adaptation
// Climate change mitigation
// Energy

We have reported for many years on our Scope 1, 2 and 3 greenhouse gas emissions according to the requirements of the Greenhouse Gas Protocol (GHG Protocol), and on the steps we have taken over the years to reduce our emissions. We therefore accounted for our experiences and findings in the double materiality assessment.

In addition, we have conducted a scenario analysis in the past several years, with which we evaluate our business activities to estimate the acute and chronic physical and transition risks. This analysis particularly includes the upstream and downstream value chains, based on the climate scenarios Green Road SSP1-1.9 and Rocky Road SSP3-7.0 and cover short-, medium- and long-term time horizons. In the future we want to further develop our scenario analysis with the focus on analyzing our sites.

The findings of the scenario analysis flow into our double materiality assessment and into the financial assessment of the physical and transition risks as part of our enterprise risk management (please see Chapter A 3.2 Opportunity and Risk Report). The results are also used to assess the impacts of climate-related matters (please see the section “Impact of climate-related matters” in Note [3] Reporting policies, methods and critical accounting estimates in Chapter B Consolidated Financial Statements). For more details of our scenario analysis and the identified risks and methodology of our analysis, please see the section “Description of the processes to identify and assess material impacts, risks and opportunities [IRO-1].” In the identification of climate-related issues, we also took into account scientific findings, particularly on climate change and the expected impacts on agriculture (including extreme weather events), as well as on human health. These findings were confirmed in the further identification of the topics and interaction with the stakeholders involved. The scenario analysis contributes to the analysis of the resilience of our business model and enables us to observe from various perspectives how risks and opportunities stemming from climate change influence our business. We do not currently see any restrictions with regard to the rededication, modernization or closure of existing assets, the adjustment of our product and service portfolio or the retraining of workers. To our knowledge, our scenario analysis did not identify any business activities that would be incompatible with the transition to a climate-neutral economy.

Description of the processes to identify and assess material pollution-related impacts, risks and opportunities [E2.IRO-1]

The topic of pollution was comprehensively accounted for in our double materiality assessment. In the identification, evaluation and prioritization of impacts, risks and opportunities in this area, we analyzed the following sustainability matters in particular:

// Pollution of air, water and soil
// Pollution of living organisms and food resources
// Substances of concern and of very high concern according to ESRS
// Microplastics

In the identification of impacts, risks and opportunities related to pollution, we analyzed in particular activities at our production sites that could increase the risk of adverse environmental impacts. Relevant stakeholder perspectives and sound specialist expertise were taken into account here. Additional consultations with affected communities have not been conducted specifically for the purpose of our double materiality assessment.

Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities [E3.IRO-1]

The double materiality assessment process also analyzes the area of water and marine resources. To identify, assess and prioritize impacts, risks and opportunities in this area, we looked particularly at the following sustainability matters:

// Water
// Marine resources

We systematically examined our activities to identify actual and potential impacts, risks and opportunities related to water and marine resources. We conducted extensive research and evaluations here, focusing particularly on our production sites that could present an elevated risk of negative impacts on water resources. Relevant stakeholder perspectives and sound specialist expertise were accounted for in this process.

Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities [E4.IRO-1]

Within the scope of our double materiality assessment, we identified, assessed and prioritized the impacts, risks and opportunities related to biodiversity and ecosystems.

The following sustainability matters were taken into account both when creating the list of all potential material impacts, risks and opportunities related to biodiversity, as well as when interacting with the stakeholders involved within the context of the double materiality assessment:

// Direct impact drivers of biodiversity loss
// Impacts on the state of species
// Impacts on the extent and condition of ecosystems
// Impacts and dependencies on ecosystem services

The findings in the reports by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) were also taken into account, especially with regard to the direct drivers of terrestrial biodiversity loss. When implementing our materiality assessment, we did not consult any potentially impacted communities to assess the sustainability of jointly used biological resources and ecosystems throughout our value chain. This is because we mitigate the potential impact of our sites on conservation areas in normal operations and implement a comprehensive package of policies, actions and targets to alleviate soil degradation and the decline in biodiversity on farmland.

According to IPBES, the biggest direct drivers of terrestrial biodiversity decline are land-use change, including the fragmentation and degradation of habitats, and intensified land use. Agriculture is one of the main causes of land-use change. The drivers of biodiversity loss due to land-use change include the expansion of agricultural and grazing land into natural habitats, the homogenization of landscapes (larger fields, fewer structural elements, tighter crop rotations) and intensified land use (e.g. through increased mowing frequency and increased nitrogen input in grassland management). These ecosystem impacts can vary widely from one region to the next.

In general, agriculture is more dependent than any other industry on natural cycles (such as water and nutrients), climate and cultivated crops, and different ecosystem services such as pollination and natural pest control. Transition risks (e.g. related to politics or our reputation), for example, related to biodiversity and agriculture in general therefore occur in value chains like ours, although these risks can vary broadly by region and in terms of our value chain. This also applies to systemic agricultural risks. In addition to the double materiality assessment process, we had already analyzed and assessed our sites with regard to potential impacts on biodiversity-sensitive areas and endangered species in 2024. We updated the number of relevant sites in 2025.

We focused on sites where our operations could potentially be relevant for nature. These include sites for the production and formulation of active ingredients for pharmaceutical and crop protection products, herbal medicines, nutritional supplements and seeds, as well as those with activities on agricultural fields and plant breeding sites and those for the mining of phosphate rock.

Using the World Database of Key Biodiversity Areas (KBA), the World Database on Protected Areas (PA) and the IUCN Red List of Threatened Species, we analyzed the geographic proximity of relevant conservation areas and endangered species to our 485 production sites, agricultural field and breeding stations, and mining operations. With an impact radius 10 times greater than the size of the respective site, we identified 38 sites near conservation areas (PA or KBA), including 18 production sites, 5 seed production facilities, 14 field and breeding stations and 1 phosphate mine. Six of these 38 sites are located near areas in which more than 10 different species are endangered (EN) or critically endangered (CR) according to the IUCN Red List.

We have currently not identified any sites that we consider material with regard to direct impacts on nearby conservation areas. Nonetheless, we strive to minimize our potential impacts on the environment. On the basis of compliance with legal and regulatory requirements as well as targeted, site-specific measures, we came to the conclusion that no additional remedial measures will have to be undertaken with regard to potential impacts on biodiversity.

Description of the processes to identify and assess material impacts, risks and opportunities related to circular economy [E5.IRO-1]

The topic of circular economy is an integral element of our double materiality assessment. In the identification, assessment and prioritization of impacts, risks and opportunities in this context, we employed methods such as extensive research and expert assessments. We also made assumptions about the recyclability of our products – whereby we took into account that not all products, such as pharmaceuticals, are suitable for repeated use – and utilized tools for prioritizing materiality to systematically record the impacts on humans and the environment. Here we particularly analyzed the following sustainability matters:

// Resource inflows, including resource use
// Resource outflows related to products and services
// Waste

The analysis involved extensive research and evaluations, focusing particularly on production sites of ours that could present an increased risk of inefficient resource use or waste generation. The perspectives of relevant stakeholders and sound specialist expertise were accounted for in this process. No direct consultations were conducted with stakeholders as part of the double materiality assessment; instead, our findings were based on existing data and experiences obtained in continuous dialogue with our stakeholders.

Description of the processes to identify and assess material impacts, risks and opportunities related to business conduct [G1.IRO-1]

The topic of business conduct is also an element of our double materiality assessment. In the identification, assessment and prioritization of material impacts, risks and opportunities, we employed comprehensive research, expert assessments and materiality prioritization tools. Here we particularly analyzed the following sustainability matters:

// Corporate culture
// Protection of whistle-blowers
// Animal welfare
// Political engagement and lobbying activities
// Management of relationships with suppliers including payment practices
// Corruption and bribery

During this analysis, we took into particular consideration all relevant criteria, such as our company culture, our German and international sites, the size and market position of our company, the relevant sectors in which we are active and the specific requirements and challenges resulting from these factors.

Disclosure requirements in ESRS covered by the undertaking's sustainability statement [IRO-2]

For an overview of the disclosure requirements according to ESRS covered in this report, please see Chapter A 4.5 ESRS Index. For an overview of the data points resulting from other EU legal regulations that were taken into account in the preparation of our Sustainability Statement, please see Chapter A 4.6 Data Points From Other EU Legal Regulations. Information is assessed as material or nonmaterial within the scope of our double materiality assessment according to the specifications described in ESRS 1, section 3.2. Data points are therefore considered material if they pertain to our material impacts, risks and opportunities and support users of our Sustainability Statement in their decision-making processes. For more details about our double materiality assessment, please see the section "Description of the processes to identify and assess material impacts, risks and opportunities [IRO-1]."

Holistic policies for managing material sustainability matters [MDR-P]

We recognize the importance of effectively managing sustainability-related impacts, risks and opportunities. That is why some of our concepts and policies address our impacts, risks and opportunities from a holistic perspective. Below, we explain these overarching tools, which address our impacts, risks and opportunities in environmental, social and governance aspects. The relevant thematic sections supplement these tools with details of targeted approaches that specifically deal with individual impacts, risks and opportunities.

Maintaining ethical standards and compliance in our own operations through our Code of Conduct

Our Code of Conduct outlines the ethical principles and standards that all employees must adhere to, including compliance with laws and regulations, integrity in business practices, respect for human rights, environmental stewardship, and commitment to fair and respectful treatment of all stakeholders. In this way, we want to avoid negative impacts such as human rights violations in our own business operations, as well as promote positive impacts through improved stakeholder engagement and a sustainable company culture.

The Code of Conduct applies to all employees across all divisions, functions and regions, including executives. The most senior level accountable for the implementation of Bayer's Code of Conduct is the Board of Management. Our Code of Conduct respects and integrates various third-party standards and initiatives, including the United Nations Global Compact (UNGC), the Universal Declaration of Human Rights and the International Labour Organization (ILO) standards. Through the Code of Conduct, we consider the interests of key stakeholders by engaging with employees, customers, suppliers, investors, regulatory bodies and the communities in which we operate. Our Code of Conduct is the subject of a web-based training course and of compliance audits. Violations thereof can be reported via our Speak Up Channel. This makes it possible to monitor adherence to the Code of Conduct. The Code of Conduct is publicly available through our company's internal communication channels and our corporate website.

Upholding standards across our global value chain through our commitment to human rights

Our Human Rights Policy outlines our commitment to respect human rights and defines responsibilities and expectations as regards human rights along the entire value chain. It provides guidance for employees to promote respect for human rights in our company culture and avoid potential negative impacts in our value chain, such as child and forced labor. Our commitment encompasses respecting human rights along the entire global value chain, including all employees of our company and their interactions with our business partners, (direct and indirect) suppliers, contractors, customers, consumers, local community members and government officials. It also applies to third parties acting on our behalf or conducting business in facilities owned or operated by us and our subsidiaries.

The policy is based on the UN Guiding Principles on Business and Human Rights (UNGPs), which recognize the distinct human rights responsibilities of states and businesses, and the OECD Guidelines for Multinational Enterprises. Our Human Rights Policy includes internationally recognized human rights in accordance with the International Bill of Human Rights and the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO). The International Bill of Human Rights consists of the following instruments:

// Universal Declaration of Human Rights (UDHR)
// International Covenant on Civil and Political Rights (ICCPR)
// International Covenant on Economic, Social and Cultural Rights (ICESCR)

Our Human Rights Policy has been approved by the Board of Management. Adherence to the provisions of our Human Rights Policy is monitored, for example, in audits at our sites and those of our suppliers. The policy is publicly available on our website.

Safeguarding responsibility and sustainability across our supply chain through the Bayer Supplier Code of Conduct

Our Bayer Supplier Code of Conduct outlines the most important social, environmental and ethical standards. By communicating this code and what we therefore expect from our suppliers, we want to counteract potential negative impacts that could occur in our supply chain. This is how we want to promote human rights within our supply chain and the considerate management of natural resources, for example. The Bayer Supplier Code of Conduct is applicable globally to the suppliers of our three divisions.

Through the Bayer Supplier Code of Conduct, we take into account the perspectives and interests of key stakeholders such as regulatory bodies, nongovernmental organizations, the scientific community, and the public and the private sector by promoting responsible and sustainable practices throughout our supply chain. The oversight process of the Bayer Supplier Code of Conduct includes regular assessments and audits of selected suppliers to ensure that they comply with the established standards pertaining to ethical business practices, environmental compatibility and social responsibility.

The Bayer Supplier Code of Conduct is based on our Human Rights Policy, the 10 principles of the UN Global Compact (UNGC) in the areas of human rights, labor, environment and anti-corruption, the core labor standards of the ILO, the UNGPs and the OECD Guidelines for Multinational Enterprises. The implementation of this policy is managed by the Procurement Enabling Function. We make our Supplier Code of Conduct available to suppliers with the goal of strengthening mutual understanding of how these principles should be practiced in day-to-day business. The Bayer Supplier Code of Conduct is accessible via our website and included in all new and renewed supplier contracts.

Ensuring compliance and sustainable practices through the Health, Safety, Environment (HSE) Management and HSE Key Requirements Policy

The Health, Safety, Environment (HSE) Management and HSE Key Requirements Policy outlines the essential health, safety and environmental standards and practices that must be adhered to within our own operations. The policy aims to communicate guidelines on pollution control, waste management, occupational health and safety, emergency preparedness and environmental protection. In this way, we want to counteract potential negative impacts such as those resulting from occupational injuries or potential hazards in the work environment. In this way, we also want to ensure that the relevant statutory regulations pertaining to environmental management are known to our organization.

The policy applies globally to all facilities, operations and employees, encompassing all aspects of health, safety and environmental management. The continuous review and revision of corporate policies by the Public Affairs, Sustainability & Safety Enabling Function, regular mandatory internal audits and external certification processes ensure that management systems at our sites meet the relevant requirements.

The Board of Management is accountable for implementing the policy and is supported by the Public Affairs, Sustainability & Safety Enabling Function. The policy respects and integrates various third-party standards and initiatives, including ISO 14001 (Environmental Management Systems), ISO 45001 (Occupational Health and Safety Management Systems) and the guidelines of the ILO and the World Health Organization (WHO). Through this policy, we consider the interests of key stakeholders by engaging with employees, regulatory bodies, nongovernmental organizations, the scientific community and local communities. This is intended to ensure, as far as possible, that diverse perspectives are reflected and the concerns of all relevant parties addressed.

Our Health, Safety, Environment (HSE) Management and HSE Key Requirements Policy is conveyed to all employees and relevant stakeholders through our internal communication channels and training programs. It is also communicated through regular HSE training sessions to ensure it is understood and adhered to.

4.2 Environmental Information

We report on the environmental matters of relevance to us to present our commitment to sustainable conduct and transparent corporate governance. By disclosing relevant information on our environment-related impacts, risks and opportunities and their management, we want to give our stakeholders an overview of our actions, progress and challenges in our environmental management.

4.2.1 EU Taxonomy

Our sustainability targets (please see the section “Strategy, business model and value chain [SBM-1]” in Chapter A 4.1 General Information on the Sustainability Statement) make a crucial contribution to our mission of “Health for all, Hunger for none.” Beyond those targets, we also report on other nonfinancial aspects. These comprise climate change mitigation, climate change adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems. Company activities are assessed for taxonomy eligibility based on the economic activities described in Annexes 1 and 2 to the Delegated Act of June 4, 2021, and Annexes 1 through 4 to the Delegated Act of June 27, 2023. The simplification of the contents and presentation established in Commission Delegated Regulation (EU) 2026/73 of July 4, 2025, has been taken into account. Thus, what is reported for 2025 is the proportion of turnover (sales) and capital expenditure (CapEx) that is EU taxonomy-eligible and taxonomy-aligned with regard to the environmental objectives of EU taxonomy. Operating expenditure (OpEx) in connection with taxonomy-eligible and taxonomy-aligned activities lies below the materiality threshold of Commission Delegated Regulation (EU) 2026/73 and therefore is not reported in detail.

Duplicate counts are avoided through the application of a clear, highly selective granularity for each KPI (e.g. product level for Pharmaceuticals, products at the country level for Consumer Health and project level for miscellaneous KPIs). Taxonomy alignment is evaluated based on the technical screening criteria for each economic activity, which are also defined in the aforementioned Annexes.

Summary of EU taxonomy KPIs

The following tables show the proportion of turnover, CapEx and OpEx from economic activities that are linked to taxonomy-eligible or taxonomy-aligned economic activities.

A 4.2.1/1

Taxonomy reporting – summary KPIs

Financial year 2025

KPI	Total	Proportion of taxonomy-eligible activities	Taxonomy-aligned activities	Proportion of taxonomy-aligned activities
(1)	(2)	(3)	(4)	(5)
	€ million	%	€ million	%
Turnover	45,575	39.4	0	0.0
CapEx	3,202	8.9	0	0.0
OpEx	7,054	0.0	0	0.0

A 4.2.1/2

Taxonomy reporting – summary KPIs

Financial year 2025

	Breakdown by environmental objectives of taxonomy-aligned activities					
KPI	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Circular economy**	**Pollution**	**Biodiversity**
(1)	(6)	(7)	(8)	(9)	(10)	(11)
	%	%	%	%	%	%
Turnover	0.0	0.0	0.0	0.0	0.0	0.0
CapEx	0.0	0.0	0.0	0.0	0.0	0.0
OpEx	0.0	0.0	0.0	0.0	0.0	0.0

A 4.2.1/3

Taxonomy reporting – summary KPIs

Financial year 2025

KPI	Proportion of enabling activities	Proportion of transitional activities	Not assessed activities considered nonmaterial	Taxonomy-aligned activities in previous financial year	Proportion of taxonomy-aligned activities in previous financial year
(1)	(12)	(13)	(14)	(15)	(16)
	%	%	%	€ million	%
Turnover	0.0	0.0	0.1	0	0.0
CapEx	0.0	0.0	3.8	0	0.0
OpEx	0.0	0.0	2.1	0	0.0

Reporting on turnover

The definition of turnover according to EU taxonomy corresponds with the sales reported in our Consolidated Financial Statements (please see Note [6] Sales in Chapter B Consolidated Financial Statements).

To determine the sales that Bayer achieves through taxonomy-eligible economic activities, the technical evaluation criteria of Regulation (EU) 2023/2486 were applied at product level. According to our interpretation, sales generated from medicinal products that are merely resold, repackaged or mixed are not taxonomy-eligible. The economic activity “manufacture of active pharmaceutical ingredients” is classified as nonmaterial, since its proportion of sales of less than 1% is below the materiality threshold according to Article 2 Paragraph 1a of Commission Delegated Regulation (EU) 2026/73.

The taxonomy-eligible sales of our Pharmaceuticals and Consumer Health divisions are assignable to the economic activity “manufacture of medicinal products,” which can contribute to the environmental objective “pollution prevention and control.” Taxonomy-eligible sales amounted to €17,956 million in 2025 (2024: €18,047 million), and taxonomy-non-eligible sales amounted to €27,619 million (2024: €28,559 million). The proportion of taxonomy-eligible sales was thus 39.4% (2024: 38.7%). We were unable to identify any taxonomy-aligned sales.

The total sales identified as being taxonomy-eligible and taxonomy-aligned are shown in the following tables:

A 4.2.1/4

Taxonomy reporting – activity breakdown by turnover

Financial year 2025

Economic activities	Code	Taxonomy-eligible KPI (proportion of taxonomy-eligible turnover)	Taxonomy-aligned KPI (proportion of taxonomy-aligned turnover)	Taxonomy-aligned KPI (proportion of taxonomy-aligned turnover)
(1)	(2)	(3)	(4)	(5)
		%	€ million	%
Manufacture of medicinal products	PPC 1.2	39.4	0	0.0
Sum of alignment per objective				
Total turnover		39.4	0	0.0

A 4.2.1/5

Taxonomy reporting – activity breakdown by turnover

Financial year 2025	Environmental objective of taxonomy-aligned activities								
Economic activities	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Circular economy**	**Pollution**	**Biodiversity**	**Enabling activity**	**Transitional activity**	**Proportion of taxonomy-aligned in taxonomy-eligible**
(1)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	%	%	%	%	%	%	(E where applicable)	(T where applicable)	
Manufacture of medicinal products					0.0				
Sum of alignment per objective					0.0				
Total turnover					0.0				

Reporting on capital expenditure

The capital expenditure metric is determined according to the requirements of EU taxonomy. The capital expenditure denominator for 2025 comprised investments in and acquisitions of property, plant and equipment and intangible assets. Acquired goodwill is not taken into account under the EU taxonomy. For detailed information, please see Notes [14] Goodwill and other intangible assets and [15] Property, plant and equipment in Chapter B Consolidated Financial Statements.

The taxonomy-eligible capital expenditure is determined by linking the capital expenditure undertaken with the taxonomy-eligible products (Category a). Capital expenditure that cannot be clearly assigned is taken into consideration on the basis of allocation keys. The proportion of actions to reduce greenhouse gas emissions (Category c) lies below the materiality threshold of 10%; taxonomy alignment therefore was not assessed. Activities in the areas of vehicle fleet, water treatment and buildings were classified as nonmaterial because the taxonomy-eligible proportion of the respective economic activities and the associated projects neither represent their main objective nor occur in a scope that would necessitate classification as material.

We evaluate the substantial contribution made to climate change mitigation for each economic activity based on the individual asset, whenever the activity must be classified as material according to Article 2 Paragraph 1b of Commission Delegated Regulation (EU) 2026/73.

Compliance with the minimum safeguards is examined at the Group level. The assessment takes into consideration existing corporate policies and risk management processes relating to human rights, compliance, anticorruption and other aspects.

We incurred taxonomy-eligible capital expenditure (CapEx) of €284 million in 2025 (2024: €549 million). Taxonomy-eligible capital expenditure declined year on year in 2025 in the course of the scheduled completion of ongoing projects and the first-time exclusion of nonmaterial taxonomy-eligible capital expenditure. Taxonomy-non-eligible capital expenditure amounted to €2,918 million (2024: €2,722 million). The proportion of taxonomy-eligible capital expenditure therefore came to 8.9% (2024: 16.7%). We were once again unable to identify any taxonomy-aligned capital expenditure (2024: €0 million).

The total capital expenditure identified as being taxonomy-eligible and taxonomy-aligned is shown in the following tables:

A 4.2.1/6

Taxonomy reporting – activity breakdown by CapEx

Financial year 2025

Economic activities	Code	Taxonomy-eligible KPI (proportion of taxonomy-eligible CapEx)	Taxonomy-aligned KPI (proportion of taxonomy-aligned CapEx)	Taxonomy-aligned KPI (proportion of taxonomy-aligned CapEx)
(1)	(2)	(3)	(4)	(5)
		%	€ million	%
Manufacture of medicinal products	PPC 1.2	8.9	0	0.0
Sum of alignment per objective				
Total CapEx		8.9	0	0.0

A 4.2.1/7

Taxonomy reporting – activity breakdown by CapEx

Financial year 2025	Environmental objective of taxonomy-aligned activities								
Economic activities	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Circular economy**	**Pollution**	**Biodiversity**	**Enabling activity**	**Transitional activity**	**Proportion of taxonomy-aligned in taxonomy-eligible**
(1)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	%	%	%	%	%	%	(E where applicable)	(T where applicable)	
Manufacture of medicinal products					0.0				
Sum of alignment per objective					0.0				
Total CapEx					0.0				

Reporting on operating expenditure

To calculate operating expenditure, noncapitalized costs for research and development (excluding special items), maintenance and repair, and short-term leases were taken into account. Operating expenditure is defined according to the EU Taxonomy Regulation and is not reported in this form in the Consolidated Financial Statements. Taxonomy-eligible operating expenditure is calculated on a pro-rated basis using apportionment formulas.

In 2025, operating expenditure totaling €7,054 million (2024: €7,176 million) was identified. Material taxonomy-eligible and taxonomy-aligned operating expenditure could not be identified. We have not included a table of taxonomy eligibility and alignment for operating expenditure. Although operating expenditure is generally of significance for Bayer, it was classified as nonmaterial in connection with the economic activities “Manufacture of medicinal products” and “Manufacture of active pharmaceutical ingredients” because it came in below the materiality threshold defined in Article 2 Paragraph 1c of Commission Delegated Regulation (EU) 2026/73.

4.2.2 Climate Change

As a science-based company, we acknowledge global human-made climate change. Our healthcare and agriculture business areas are impacted by climate change but can also be part of the solution in fighting the impacts of climate change.

Strategy

Our climate change mitigation strategy is directly related to our double materiality assessment and is based on our scenario analysis. At the core of Bayer's climate strategy is the Transition and Transformation Plan, which was published for the first time in 2024 and represents an update of our climate program from 2020. This plan is geared toward driving forward our climate change mitigation efforts and ensuring that our strategy and business model are commensurate with the goal of a sustainable economy and with limiting global warming to 1.5 °C compared to the preindustrial level in accordance with the Paris Agreement.

Our Transition and Transformation Plan for climate protection [E1-1]

Our climate strategy comprises two subject areas – the reduction of greenhouse gas emissions (climate change mitigation) and climate change adaptation, with the latter including the issue of access to our products and services as part of the solution. Both areas are incorporated into our transition and transformation strategies.

Transition: To mitigate climate change, we are pursuing the goal of achieving net zero greenhouse gas emissions (net zero target) by 2050, including the entire value chain[27]. This means an at least 90% reduction in absolute Scope 1, 2 and 3[28] greenhouse gas emissions compared to the base year 2019[29]. We intend to offset the remaining 10% greenhouse gas emissions through long-term emission credits[30]. In our Transition and Transformation Plan, we describe reduction levers, the policy for climate protection certificates, cooperation with special interest groups and the resilience of our value chain.

Transformation: Transformation encompasses the market potentials we see in the areas of healthcare and agriculture as a result of climate change adaptation, access to our products and services, and a socially just transition. At the same time, we aspire to reduce global greenhouse gas emissions from agriculture in the long term with the offer of innovative solutions.

Through our Transition and Transformation Plan, we support the Paris Agreement and the objective of limiting global warming to 1.5 °C compared with the preindustrial level.

Our climate strategy is anchored in our business strategy. The Chairman of the Board of Management (CEO) holds responsibility for climate protection in his role as Chief Sustainability Officer (CSO). The leadership teams of the individual divisions assume responsibility for the transformation of our business fields and the creation of value from the changing conditions. The attainment of our Group targets for reducing greenhouse gas emissions is factored into the long-term compensation of the Board of Management and Bayer's LTI-entitled managerial employees. The compensation-relevant target is based on Bayer's necessary contribution to a Science Based Targets initiative (SBTi)-validated 1.5 °C scenario. Due to the SBTi revalidation in 2024 and the implementation of new emissions factors, the calculation of Scope 3 greenhouse emissions changed in some categories. In this connection, the number of target-relevant Scope 3 categories increased from 5 to 15. For more information, please see the section "Greenhouse gas emissions of Scope 1, 2 and 3 and total greenhouse gas emissions [E1-6]" in Chapter A 4.2.2 Climate Change. The calculation of long-term compensation is still based on the original five Scope 3 categories and the original calculations and data sources for emissions factors. As a result, greenhouse gas emissions for some Scope 3 categories in this reporting differ from those used in the calculation of long-term compensation.

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[27] Total Scope 1, Scope 2 and Scope 3 greenhouse gas emissions. Comprises direct (Scope 1) and indirect (Scope 2, market-based) greenhouse gas emissions from Bayer sites with an annual energy consumption exceeding 1.5 terajoules and/or annual water withdrawal that is greater than or equal to 50 Tm^3. Scope 3 includes all Scope 3 categories defined in the Greenhouse Gas (GHG) Protocol.

[28] When accounting for greenhouse gases, we distinguish between Scope 1 (direct emissions from our own sources), Scope 2 (indirect emissions from the procurement of energy) and Scope 3 (indirect emissions from the entire value chain).

[29] Comprises direct (Scope 1) and indirect (Scope 2, market-based) greenhouse gas emissions from Bayer sites with an annual energy consumption exceeding 1.5 terajoules and/or annual water withdrawal that is greater than or equal to 50 Tm^3. The target includes biogenic, land-related emissions and the degradation of greenhouse gases from bioenergy raw materials. With respect to our net zero target, all Scope 3 categories are taken into account when calculating the Scope 3 greenhouse gas emissions for the base year.

[30] The neutralization of the remaining emissions is carried out in accordance with the standards of the Science Based Targets initiative (SBTi).

The establishment and implementation of our strategy and the related activities are overseen by the ESG Committee of the Supervisory Board. In addition, the independent external Sustainability Council advises the company in all sustainability matters – including climate protection. The Board of Management is supported by the Public Affairs, Sustainability & Safety Enabling Function in cooperation with the sustainability and specialist departments of the divisions. The divisions handle the operational implementation of the measures at their sites, in the research departments and in the strategy departments, with the support of the enabling functions. We have formed Group-wide working groups for the strategic and operational implementation of climate-change-related measures and a special working group to analyze various climate scenarios and their impacts on our business. The Transition and Transformation Plan has been confirmed by the Chairman of the Board of Management (CEO) and the ESG Committee of the Supervisory Board.

In developing the Transition and Transformation Plan, we utilized the standards of the Transition Plan Taskforce and CDP (formerly Carbon Disclosure Project).

Transition: reducing greenhouse gas emissions
A core element of our Transition and Transformation Plan is the reduction of greenhouse gas emissions compared to the base year 2019. We already reduced total direct greenhouse gas emissions (Scope 1) and indirect greenhouse gas emissions (Scope 2, market-based) by 25.9% between 2019 and 2025 at those of our sites with an annual energy consumption exceeding 1.5 terajoules and/or annual water withdrawal that is greater than or equal to 50 Tm^3.

The main levers we have identified to further reduce total direct emissions (Scope 1) and indirect emissions (Scope 2, market-based) in the period from 2026 to 2029 are described below:

// Through the conversion to electricity from renewable energies, we expect a further 12 percentage points contribution to reducing total Scope 1 and Scope 2 greenhouse gas emissions by 2029 (compared to the base year 2019).
// Through energy efficiency and production process optimization and electrification, we expect a further reduction contribution in total Scope 1 and Scope 2 greenhouse gas emissions of 2 percentage points by 2029 (compared to the base year 2019).
// Through decarbonization of purchased indirect energy sources (heating, cooling), we expect a further reduction contribution in total Scope 1 and Scope 2 greenhouse gas emissions of 2 percentage points by 2029 (compared to the base year 2019).
// By 2030, we aim to switch our fleet over to electric vehicles wherever technically and economically feasible. We expect a reduction contribution in total Scope 1 and Scope 2 greenhouse gas emissions of 1 percentage point here by 2029 (compared to the base year 2019).

We reduced greenhouse gas emissions in the value chain (Scope 3) by 12.0% between 2019 and 2025. The main levers we have identified to further reduce emissions in the value chain in the period from 2026 to 2029 are described below:

// We plan to reduce our Scope 3 greenhouse gas emissions by up to 9.3 percentage points by 2029 in cooperation with our suppliers (compared to the base year 2019).
// Additional reductions in emissions of 3.5 percentage points are expected by the end of 2029 (compared to the base year 2019) as a result of electrification both in the upstream and downstream value chain and in business travel and due to changes in energy supply (Scope 3.3) e.g. through the switch to renewable energies.

In addition, new technologies – including carbon capture and storage (CCS) – will be needed both for our own sites and along our value chain to achieve the net zero greenhouse gas emission target by 2050.

To achieve our total Scope 1 and Scope 2 greenhouse gas emissions reduction target by 2029, capital expenditure in our buildings, plants or processes at the sites will also be necessary in the future. Scope 1 greenhouse gas emissions from the burning of fossil fuels and Scope 2 greenhouse gas emissions from the use of secondary energy sources can be reduced through more modern and energy-efficient buildings, plants and processes. The necessary capital expenditures are incurred, for example, through the renovation of buildings and the replacement of plants or production machinery. We implemented diverse projects of this type between 2019 and 2025 that had a positive impact on our Scope 1 or Scope 2 greenhouse gas emissions overall. We expect the capital expenditures necessary for investment in our buildings, plants or processes at our sites to achieve further reductions through 2029 to be at least €100 million in the coming years. This amount is accounted for in our divisions' capital expenditure budgets. In 2024, we published an estimation that the capital expenditure in our plants and buildings necessary through 2029 to achieve our climate targets would be around €200 million. Due to the changed economic situation – a challenge many companies are having to contend with – we have had to adjust our estimated capital expenditures for the period up to 2029 to at least €100 million. At the same time, we expect that through the use of power purchase agreements (PPAs) it will be possible to achieve a greater contribution to reducing greenhouse gas emissions than we had originally assumed. We do not expect the reduced investment in our own sites to jeopardize the attainment of our climate targets. Even though capital expenditures have been reduced in absolute terms, we will continue to expect relevant greenhouse gas reductions through existing projects (e.g. process improvements and decarbonization of indirect energy sources for the cooling system at our Dormagen site, supplemented with additional ventilation improvements). The capital expenditures needed to achieve our ambitious climate target of net zero greenhouse gas emissions in 2050 are subject to various uncertainties due to the long timeframe, which is why we currently are not publishing any possible capital expenditure costs for the years after 2029. No capital expenditures are currently planned for the coming years to implement our short-term measures to reduce Scope 3 greenhouse gas emissions because most of these measures involve specific requirements for our suppliers, such as the use of renewable energies for their production processes, or they pertain to a switch in suppliers that we will initiate.

We review the future viability of our product portfolio, processes and activities, including as regards climate change. Like other manufacturing companies, we have potentially locked-in greenhouse gas emissions in connection with production at our sites. We currently expect that our potential locked-in emissions will not jeopardize the attainment of our 2029 climate targets. We will examine the potential locked-in emissions through 2050 in the future.

For fiscal 2025, we were unable to identify any EU taxonomy-aligned sales, capital expenditures or operating expenditures related to climate. We therefore cannot correlate our capital expenditures and funding for the implementation of the Transition and Transformation Plan described to the taxonomy-specific performance indicators. We also did not disclose any capital expenditure plans according to Commission Delegated Regulation (EU) 2021/2178. We have not been notified for 2025 that we have been excluded from the EU Paris-Aligned Benchmark.

With the greenhouse gas emissions reductions achieved so far, we are currently on track to meet the SBTi-validated decarbonization targets. We reduced Scope 1 and Scope 2 greenhouse gas emissions by 25.9% and Scope 3 greenhouse gas emissions by 12.0% compared to the base year 2019. To attain our long-term targets pertaining to net zero greenhouse gas emissions in 2050, we are dependent on the development of the industry as a whole and on political framework conditions.

Extreme weather events or changing climatic conditions can have negative impacts at upstream production sites in the supply chain, at our own sites and in the downstream supply chain. To reduce these impacts and maintain the availability of our products, we take this into account for relevant cases in business continuity plans, take out insurance coverage, invest in modernization measures and undertake other activities, for example in our procurement strategies. These risks are factored into our company-wide risk management process as part of our enterprise risk management (ERM) system.

Transformation: product innovations as a solution and opportunity
Our business areas can be part of the solution when it comes to adapting to the effects of climate change. This is how, through our products, we can help our agricultural customers to adapt better to the negative impacts of climate change. In our Crop Science Division, we are working on numerous innovations, particularly in the areas of new varieties, biotechnology, small molecules, biologicals, digital farming and systems for our concept of regenerative agriculture. Through this approach, we want to contribute to ensuring long-term food security by helping farmers to produce more while delivering a positive impact on nature with our concept of regenerative agriculture. Climate change also has significant impacts on human health. In the Pharmaceuticals and Consumer Health divisions, we are therefore working closely with external experts from a wide range of backgrounds on innovative solutions. Our research and development activities in this area focus on the cardiovascular system, women's healthcare, cardio-renal-metabolic health, respiratory diseases, allergies and nutritional supplements. Through our Leaps by Bayer program, we invest in future-oriented ideas across all divisions that also address the challenges presented by climate change. For further information, please see the section "Leaps by Bayer" in Chapter A 1.3. Focus on Innovation. Both the transition and the transformation of industry and society are a societal task that we are working on across value chains together with our stakeholders.

Material impacts, risks and opportunities and their interaction with strategy and business model [E1.SBM-3]

Three climate risks were identified through our double materiality assessment:

// **Physical climate risk:** disruption of the value chain and production processes due to extreme weather events and climate-related natural disasters caused or exacerbated by climate change
// **Physical climate risk:** decline in demand and associated losses of sales for certain products because the current product range is not fully aligned with the future requirements resulting from the effects of climate change (such as shifts in cultivation regions for certain plants and shifts in demands on products)
// **Transitory climate risk:** capital expenditure requirement for adaptation of product processes to our reduction targets depending on regulations, legislation or availabilities, e.g. as regards the emission of greenhouse gases during production processes (such as emissions trading systems)

For several years now, we have conducted a climate-based scenario analysis that covers both physical and transitory climate risks. This analysis encompasses elements of a resilience analysis and enables us to analyze the impacts, risks and opportunities of climate change for our business from various perspectives. In our analysis, we focus on the impacts on our business activities, especially in agriculture. This enables us to assess the findings relative to our company and integrate them into our business strategy, enterprise risk management system and actions. The applied climate scenarios, which assume a rise in and increasing intensity of extreme weather conditions and a shift in climatic zones, are in conformity with the climate-related assumptions in the financial statements. This is evident partly in the fact that potential financial consequences resulting for our sites due to climate-related natural events are hedged through insurance coverage to the extent customary in the industry. At the same time, we demonstrate our understanding of the need to adapt to the impacts of climate change through, for example, our research and development activities for product innovations, which are accounted for accordingly in our financial business planning. We do not currently see any restrictions on the ability to rededicate, modernize or close existing assets, shift product and service portfolios, and retrain the workforce. Indeed, we see possible opportunities for our products and services when they are used by our customers as part of climate adaptation strategies, such as in the seed business.

In 2025, we continued strategically with our established climate-related scenario analysis at a business area level. As part of our continuous improvement process, we will expand this analysis in a targeted manner in the coming years, in particular with regard to the evaluation of the climate resilience of our production sites.

In the climate-related scenario analysis, which also covers the resilience of our business fields, we go beyond the 10-year horizon of our ERM system and the horizon of the double materiality assessment, and use the following time horizons:

// Short-term: through 2027
// Medium-term: from 2028 through 2035
// Long-term: from 2036 through 2050

Our scenario analysis, which encompasses elements of a resilience analysis, has a twofold focus:

// Overarching opportunity and risk assessment for the Bayer Group and its individual business areas, including the upstream, downstream and our own value chains
// In our Crop Science Division, we additionally use agricultural climate modeling based on a comprehensive climate change ensemble dataset to inform research, development and product strategies. This includes potential climate effects on breeding programs or the development of long term regional product placement strategies to safeguard long-term, sustainable and profitable operations for farmers through resilient agricultural systems tailored to local climate and soil conditions.

To conduct the scenario analysis, we deployed a cross-functional and cross-divisional team to evaluate the possible impacts of climate change based on two scenarios. First of all, the scenarios were described, then the most important impact drivers were established, and, finally, actions were defined to reduce risks and realize opportunities. Examples here include the implementation of our net zero strategy and the focus on our concept of regenerative agriculture.

We have based our scenario descriptions on Assessment Report 6 of the Intergovernmental Panel on Climate Change (IPCC) and supplemented them with further sources relevant to our business areas. The basis comprises the optimistic climate change scenario envisaging warming of below 1.5 °C – the Green Road SSP1-1.9, which equates to the fulfillment of the climate goals of the Paris Agreement (temperature increase of 1.4 °C by 2100 compared with the preindustrial age) – and a high-greenhouse-gas-emission climate scenario that reflects current global behavior – the Rocky Road SSP3-7.0 (temperature increase of 3.6 °C).

Green Road (SSP1-1.9)

// The Green Road scenario assumes a rise in average global temperature compared with the preindustrial age of 1.6 °C by between 2041 and 2060. Between 2081 and 2100, the temperature is likely to have risen by 1.4 °C compared with the preindustrial age.
// This scenario is marked by the rapid implementation of ambitious and globally coordinated climate-related laws and rules that can also include transformational requirements and new regulations for companies in the short term. The rapid reduction in greenhouse gas emissions leads to less severe weather- and climate-related effects.

Rocky Road (SSP3-7.0)

// The Rocky Road scenario assumes the rise in average global temperature compared with the preindustrial age to be around 2.1 °C by between 2041 and 2060, and probably 3.6 °C by between 2081 and 2100.
// In this scenario, we expect less ambitious laws and provisions that vary widely from one region to another. That leads to a slower pace of emissions reduction and thus more intensive weather- and climate-related changes in all regions of the world. The varying levels of ambition also lead to additional trade barriers that can be manifested in measures such as a Carbon Border Adjustment Mechanism (CBAM).

We use both scenarios, Green Road SSP1-1.9 and Rocky Road SSP3-7.0, to understand the impacts of climate change on our business and to identify measures for mitigating climate-related risks and leveraging opportunities. This is how we also assess the future viability of our business areas. We also further developed our own agricultural climate model in 2025 by producing a climate change ensemble

dataset based on CMIP6 (Coupled Model Intercomparison Project, or CMIP). The goal here is to enhance the usability of climate risks and opportunities in the model.

The results and strategic implications of the climate-related scenario analysis are directly fed into our climate strategy and thus into our Transition and Transformation Plan. Based on the scenario description, we have identified 10 impact drivers of materiality to enable us to analyze the impacts transitory and physical changes will have on our business in more detail. The transitory drivers are regulatory requirements, CO_2 prices/taxes and border adjustment, agricultural innovation and cultivation methods, commodity prices, end-consumers and customers, and food security. As regards the physical drivers, we take into account acute extreme weather events and three chronic physical drivers, namely the water cycle, diseases and temperature changes.

Transitory impact drivers: Through our strategy for decarbonization, with a focus on reducing greenhouse gas emissions on the pathway to a 1.5 °C scenario, we are reducing the risk of additional costs caused by the expected regulations. At the same time, the rules, innovations and implementation in agriculture are of particular importance. We continuously analyze the further impacts of regulatory changes and integrate them into our business and planning. Depending on the varying scenarios, our customers and value chains will place different demands on our products. CO_2 prices not only affect the cost structure of our value chain but could also impact demand for biomass or biofuels. We also analyzed the issues of raw material prices and food security, as high uncertainty is expected here, particularly in a Rocky Road scenario.

Acute physical impact drivers: Within the context of the scenarios observed, all climate models anticipate an increase in extreme weather conditions (such as drought, heavy rains and storms) that present an elevated risk of crop losses and therefore also pose risks for the agricultural value chain as a whole. In addition to risks, however, climate change can also create opportunities for our business. Our product range and innovative capability – particularly in the agricultural value chain – will create a foundation for leveraging new options and sales opportunities in the future against the background of climate change. As a seed producer, we already offer plants with increased resistance to extreme weather conditions. That includes short-stature corn. Through breeding, we have succeeded in developing seed hybrids that enable the growth of shorter corn plants that have the potential to not bend or break (agronomists call this root and stalk lodging) as easily as corn plants of regular height in the presence of strong winds or heavy rain. Losses in the United States due to bent (lodged) plants amount to between 5% and 25% a year, depending on the severity of weather events. We also enable farmers to react better and more quickly to extreme weather conditions with our FieldView™ digital farming platform.

Chronic physical impact drivers: Climate change brings a wide range of challenges in the context of chronic physical climate risks, especially for agriculture and human health. In agriculture, long-term effects such as shifts in the water cycle (e.g. wetter or drier climates, delayed monsoon seasons), increased spread of diseases and insect pests, and temperature-driven coupling effects pose significant risks to productivity and thereby to food security. To address these, we are developing strategies that help farmers strengthen their resilience – through advanced climate modeling, tailored agronomic solutions and support for reducing greenhouse gas emissions – while enabling healthy crop cultivation. Recognizing that no one-size-fits-all solution exists in agriculture, we offer a diverse portfolio of options adapted to local conditions. On the health front, climate change may intensify risks such as cardiovascular disease due to hotter summers and more frequent heatwaves. We help tackle these emerging health challenges by advancing innovative therapies and preventive solutions to support climate-resilient healthcare.

The results of the scenario analysis are regularly reviewed within the scope of our ERM system. Mitigation measures are established in the respective divisions or enabling functions. Given our current understanding, our scenario analysis did not identify any business activities that are incompatible with the transition to a climate-neutral economy. We will expand and refine our scenario description and analysis specific to the sites in 2026 and thereafter. At the same time, we are deepening our analytical skills and expanding our climate models, for example to better understand how various climatic zones are changing.

We expect this to enable us to optimally describe the challenges and opportunities for the future so that we can deduce short-, medium- and long-term mitigation steps.

Management of impacts, risks and opportunities in relation to reducing greenhouse gas emissions and energy

As part of our double materiality assessment, we regularly calculate and assess our positive and negative impacts and the risks and opportunities in relation to climate change. This helps us manage our actions and improve our performance. We have identified negative impacts through greenhouse gas emissions and energy consumption resulting from production activities, mining and along the entire value chain. There are also negative impacts as a result of the use of fossil raw materials to produce energy along the value chain, particularly in the chemical industry. Beyond our direct sphere of influence, there are further potential environmental impacts due to greenhouse gas emissions along the agricultural value chain for which we offer crop protection products and seeds. Greenhouse gas emissions are generated along the agricultural value chain through, for example, industrial agriculture, including changed land use, food, animal feed and biofuels. Positive impacts are produced by our innovations in the areas of seeds & traits, crop protection and digital farming and the promotion of our concept of regenerative agriculture. Through this, we help to reduce greenhouse gas emissions within the downstream agricultural value chain. Reducing these greenhouse gas emissions and improving soil health through carbon capture present opportunities for new activities in the area of regenerative agriculture.

In the area of greenhouse gas emissions reduction measures, there are transitory risks necessitating significant investment to adapt production processes to the envisaged ambition level and ensure compliance with possible new regulations, laws and guidelines, such as those related to the emission of greenhouse gases during production processes as part of emissions trading systems. In connection with our reduction targets for greenhouse gas emissions, we have assessed and budgeted for our capital expenditure requirement through 2029. The capital expenditures needed to achieve our ambitious climate target of net zero greenhouse gas emissions in 2050 are subject to various uncertainties due to the long timeframe, which is why we currently are not publishing any possible capital expenditure costs for the years after 2029. We are continuously monitoring the markets and technologies so we can respond to this risk. For more details on our capital expenditure requirements related to the reduction of greenhouse gas emissions, please see the section “Transition: reducing greenhouse gas emissions” in Chapter A 4.2.2 Climate Change.

Policies related to the reduction of greenhouse gas emissions and energy [E1-2]

Our most important framework for the management principles we utilize to make decisions in the area of climate mitigation and adaptation is our Transition and Transformation Plan. This plan is a central element of our overall strategy and establishes targets and actions for the transition to low-carbon business activities, including the reduction of our greenhouse gas emissions in line with the Paris Agreement with the objective of limiting global warming to 1.5 °C compared to the preindustrial value. For this reason, we do not report on any other concepts in the area of climate change mitigation. For more information on our Transition and Transformation Plan, please see the section “Our Transition and Transformation Plan for climate protection [E1-1].”

Actions in relation to reducing greenhouse gas emissions for Scope 1 and Scope 2 through 2029 [E1-3]

To attain our ambitious climate target of net zero greenhouse gas emissions in 2050, we have recently developed a roadmap through 2029. This roadmap defines various reduction levels and identifies actions to decrease our greenhouse gas emissions. The most important actions in our roadmap through 2029 to reduce total Scope 1 and Scope 2 greenhouse gas emissions comprise the procurement of electricity from renewable energy sources, the optimization of energy efficiency in our production plants, facilities and buildings, the decarbonization of our sites, and the conversion of our vehicle fleet to electromobility.

Procurement of electricity from renewable energy sources
We are currently converting our power supply and plan to derive all our externally procured electricity from renewable sources by 2029. Here we take into account specific criteria such as additionality and geographic proximity to our sites. For further information, please see “Renewable Electricity Quality and Portfolio Definition” on our website. We currently already procure 51.2% of our total purchased electricity from renewable energy sources.

We expect to achieve a further 12% reduction in our total Scope 1 and Scope 2 greenhouse gas emissions by 2029 (compared to the base year 2019) by converting our electricity procurement to renewable energy sources. This measure encompasses the global procurement of electricity from renewable sources to reduce our dependency on fossil fuels and increase the sustainability of our energy supply. We plan to transition completely to electricity from renewable resources if regulatory and local circumstances allow this. This measure is scheduled to be fully completed by 2029. We assume we will purchase more electricity in the future due to the electrification of various processes and other actions.

We procure electricity from renewable energy sources in various ways, depending on local conditions and legal requirements. In 2023, for example, we signed a long-term, structured renewable energy credit (REC) purchase agreement with Cat Creek Energy. Under the agreement, our contract partner is required to build several facilities to produce power from renewable energies, as well as energy storage systems. The agreement is set to allow Bayer to secure 40% of its global and 60% of its US-purchased electricity demand out of renewable sources. As the corresponding power generation facilities are not yet operational, no RECs were purchased in 2025 under the agreement. Full capacity is expected to be reached during 2028, subject to some uncertainties. To nonetheless meet demand, RECs were purchased by other means as an offset.

Optimization of energy efficiency in our facilities and buildings
To reduce our greenhouse gas emissions, we plan to drive forward our energy efficiency and process optimization by 2029. The actions involve increasing the energy efficiency of our plants and buildings through process innovations, efficient technologies and optimized energy management systems. Certifications according to the international standards ISO 14001 (environmental management) and ISO 50001 (energy management) help to identify energy consumption savings potential both in existing production processes and in the development of new production processes and the conversion of existing ones. These certifications enable us to manage and reduce energy consumption at our production sites. Each year, various of these measures are implemented at many of our sites. We expect a further 2% reduction in our Scope 1 and Scope 2 greenhouse gas emissions by 2029 (compared to the base year 2019). The implementation of the measures depends on local circumstances, as well as technological developments. In 2025, we invested in heating, ventilation and air conditioning technology, and various process improvements at the sites, among other things. We continuously evaluate the projects for reducing our energy consumption and their influence on our total greenhouse gas emissions. We currently expect the capital expenditures needed to attain our targets to amount to at least €100 million in the period up to 2029. These capital expenditures are accounted for in the capital expenditure budgets of the divisions. Operating expenditures related to energy efficiency are not being tracked separately.

Emissions reduction at our sites through the purchase of energy for heating and cooling
To achieve our ambitious climate target of net zero greenhouse gas emissions in 2050, we must also reduce emissions at our sites from utility services, particularly for heating and cooling. By 2029, we want to conclude individual agreements at various sites to procure low-greenhouse-gas-emission utility services or have them generated from renewable energies. Implementation of this measure is scheduled to be fully completed by 2029. We expect the future measures to reduce total Scope 1 and Scope 2 greenhouse gas emissions by a further 1% (compared to the base year 2019). The implementation of the measures depends on local circumstances, as well as technological developments.

Conversion of our vehicle fleet to electromobility
To further reduce our greenhouse gas emissions, we want to convert our vehicle fleet to electromobility by 2030 wherever technically and economically feasible. This affects about 22,000 vehicles worldwide. To validate our activities in line with the criteria, we have joined the EV100 initiative of the Climate Group. So far, we have begun transitioning to electromobility in 50 countries (including Germany) that account for about 86% of our entire vehicle fleet. The proportion of hybrid and electric vehicles in our fleet at the end of 2025 was approximately 20%. The conversion will make an approximately 1% contribution to the reduction of our Scope 1 and Scope 2 greenhouse gas emissions. We do not expect the conversion of our vehicle fleet to have a significant impact on capital and operating expenditures. The implementation of the measures depends on local circumstances (including availability of suitable vehicles and charging infrastructure), as well as technological developments.

Complementary climate protection certificates
We will offset the remaining greenhouse gas emissions from our own operational processes (Scope 1 and Scope 2) by 2030 by purchasing certificates from verified climate protection projects. We have established specific criteria for procuring certificates from climate protection projects. In this process, we focus on nature-based climate solutions, preferably concerning forest conservation and agriculture projects. We currently mainly purchase certificates from projects focused on forest conservation and reforestation. Beyond this, we want to invest in innovative projects to promote the development of voluntary emissions trading. The most important factors in the procurement of climate protection certificates for us are the contribution they make to climate protection and the additionality of the supported project. The implementation of the measures depends on local circumstances, as well as the quality and availability of the certificates.

As protecting forests is one of the most important measures in terms of climate protection and conservation of biodiversity, we are a participant in the LEAF (Lowering Emissions by Accelerating Forest Finance) coalition. This also includes further developing agricultural practices in Brazil to prevent further deforestation. Certificates from activities undertaken in connection with LEAF will be part of our certificate portfolio for the first time in 2026.

Actions in relation to reducing greenhouse gas emissions for Scope 3 through 2029 [E1-3]
Our goal is to reduce our Scope 3 greenhouse gas emissions in the value chain by the end of 2029. Our roadmap for Scope 3 sets out the underlying actions.

Cooperation with and selection of suppliers
To attain our objectives, we are intensifying our cooperation with suppliers, particularly as regards the transition to the use of renewable energies. This is not a one-off measure but instead takes place on an ongoing basis. We therefore continuously strive to reduce the carbon footprint of the products we purchase within the value chain and increase transparency in our reporting on Scope 3 greenhouse gas emissions. Our current assessment shows that the current emissions reduction targets of our suppliers are still insufficient to attain our Scope 3 emissions reduction target. Only 36 of our 200 most important suppliers have currently set themselves “near-term” reduction targets that are SBTi-validated. A supplementary internal maturity segmentation of the climate activities of our suppliers confirms this in addition. We thus continue to interact intensively with selected suppliers and strive to conclude partnerships with suppliers who commit to reducing greenhouse gas emissions and to decarbonization. In 2025, we continued developing a CO_2 price approach for Scope 3 greenhouse gases. Our goal is to apply in the future a CO_2 price component during sourcing events to inform decision-making and serve as an incentive for suppliers to develop and offer products with a lower carbon footprint. This measure is to be implemented without a significant increase in our specific operating expenditures.

We have also joined forces with other companies within various initiatives. Together, we are working to standardize the calculation of greenhouse gas emissions along the value chains, identify climate risks and develop reduction measures. To do so, we are active in the Together for Sustainability (TfS) initiative of the chemical industry and the Partnership for Carbon Transparency (PACT) of the World Business Council for Sustainable Development (WBCSD). Both initiatives strive to standardize methods, exchange product carbon footprints (PCFs) and provide guidance for calculating PCFs and accounting for Scope 3 greenhouse gas emissions. We are also a member of the Decarbonization Team of the Pharmaceutical Supply Chain Initiative (PSCI). Together with other members of the PSCI, we support the Energize program to increase the use of renewable energies by our suppliers in the pharmaceutical supply chain. We expect to reduce more than 6% of our Scope 3 greenhouse gas emissions through this measure by 2029 (compared to the base year 2019). The success of this measure depends only indirectly on us, with the general regulatory and climate-specific transformation playing a more significant role here.

Procurement of electricity from renewable sources by our suppliers
We expect the transition to electricity from renewable sources to be a crucial lever for decarbonization both in our own operations and in those of our suppliers. For this reason, our suppliers should strive to procure 100% of their electricity from renewable sources by 2030 and continuously improve energy efficiency. Compliance with the procurement requirements defined in our Supplier Code of Conduct is especially important. These are based on the criteria of RE100 (a global initiative that brings together companies that have committed to cover their entire electricity demand from renewable sources). We will support our suppliers in this transition, especially within the context of our meetings with them. In our supplier segmentation, we also integrate the share of electricity from renewable sources that our suppliers use. The implementation of the measures depends on local circumstances, as well as technological developments. We expect to reduce a further 3% of our Scope 3 greenhouse gas emissions through this measure by 2029 (compared to the base year 2019).

We are working together with our suppliers and partners on a number of solutions. In 2025, we switched, for example, from a supplier's standard solution to an alternative. This alternative utilizes electricity from renewable energies for the electrolysis of an important process step. This reduces CO_2 emissions by about 2,500 metric tons annually and does not result in any additional costs.

Reduction of energy-related emissions through the transition to renewable raw materials
We continuously increase the share of renewable energies in our production facilities; this includes the transition to electricity from renewable energy sources as well as the use of liquid and solid biomass and of residues and waste to produce thermal energy and fuel. This transition will also indirectly impact the Scope 3 category by reducing emissions in the upstream chain. We expect to achieve a 1.8% reduction of our emissions in this area by 2029.

Electrification and use of electricity from renewable raw materials in warehousing and freight transport
Our warehousing and logistics suppliers play a major part in decarbonizing our supply chain. We engage in discussions and want to focus more intensively on the use of energy from renewable raw materials and the electrification of their vehicle fleets. At the same time, we want to further optimize logistics and make greater use of digital technologies. As a member of the EcoTransIT World Initiative, we use the EcoTransIT system to calculate transport-related greenhouse gas emissions in a standardized way on the basis of the best available data. We are planning a reduction in air transport and a switch to rail and waterway transport. Road freight accounted for 96.6% of our transportation routes in 2025, while water freight accounted for 1.3%, air freight for 1.9% and rail freight for 2%. The implementation of the measures depends on local circumstances, as well as technological developments. We expect to reduce a further 1% of our Scope 3 greenhouse gas emissions through this measure by 2029 (compared to the base year 2019). Furthermore, this measure will continue to be implemented through 2050.

Efficient use of packaging materials and business travel
An efficient use of packaging materials reduces greenhouse gas emissions in various stages of a product's life cycle and therefore positively impacts various Scope 3 categories. It reduces greenhouse gas emissions from the production of the material (Scope 3.1), leads to less transportation (Scope 3.4, 3.9) and less waste (Scope 3.5) and thereby also to lower greenhouse gas emissions in the disposal of the packaging material (Scope 3.12). Furthermore, we strive to use more packaging materials based on paper and recycled materials. Together with selected suppliers, we are investing in low-carbon packaging materials and services to accelerate decarbonization. In 2024, we became the first healthcare company to introduce a one-material blister pack made of polyethylene terephthalate (APET) for Aleve™. This reduces the carbon footprint of this packaging by 38% and has further positive environmental characteristics (including with respect to recycling) through the nonuse of polyvinyl chloride (PVC). This is accompanied by the transition from materials of fossil origin to plant-based materials.

We also want to reduce greenhouse gas emissions from business travel. Actions here include increased use of virtual meetings and a special information page for employees on the connection between travel and sustainability. The implementation of these measures depends on local circumstances, as well as further technological developments.

We expect to be able to reduce a further 0.7% of our Scope 3 greenhouse gas emissions through efficient use of packaging materials and business travel by 2029 (compared to the base year 2019). This package of measures will be continuously implemented even beyond 2029 and through 2050.

Actions in relation to reducing greenhouse gas emissions for Scope 1, 2 and 3 through 2050 [E1-3]
The attainment of our ambitious climate target of net zero greenhouse gas emissions in 2050 depends on numerous framework conditions. We have developed a roadmap that shows how we can reach the net zero target by 2050 or earlier. Key actions include the use of innovative and available technologies, the development of new products and the management of residual and unavoidable emissions.

Innovative and available technologies
The availability of renewable energies and innovative technologies, such as carbon capture, storage and utilization, or the use of hydrogen to generate energy at competitive costs is decisive for our long-term greenhouse gas emissions reduction. We monitor this availability continuously, and implementation in our plants and buildings depends on the technological progress and local circumstances. This is not a one-off measure but instead takes place on an ongoing basis.

New products
We work on innovations to continue to reduce the emissions associated with our products in the future, for example by developing new synthesis routes. One example is the research and development (R&D) of new radiology products, for which we have begun to introduce criteria according to a sustainability-by-design approach. Using checkpoints we would like to examine the sustainability-related impacts of future radiology products in various phases of R&D. This is not a one-off measure but rather takes place continuously so as to introduce new products and innovations.

Residual and unavoidable emissions
We expect that there will likely still be some residual, unavoidable greenhouse gas emissions in our value chain in 2050. We plan to offset these emissions through long-term emissions reduction certificates.

Actions in relation to the reduction of greenhouse gas emissions in agriculture [E1-3]

According to a report by the Intergovernmental Panel on Climate Change (IPCC) published in March 2023, agriculture, forestry and other land use account for around 22% of global greenhouse gas emissions. This is both an opportunity and a risk for us. We see market potential for reducing global greenhouse gas emissions by up to one gigaton through regenerative agriculture and agricultural solutions.

Emissions reduction in agriculture

To help reduce greenhouse gases in agriculture, we promote the use of practices and technologies that are more climate-smart. These include high-yielding crop genetics, crop protection products, precision irrigation systems, soil management tactics through no-till and cover crops, crop rotation, fertilization management, microorganisms and soil inoculants, direct seeding and alternate wetting and drying in rice cultivation, and digital and precision farming tools. We are working continuously to implement these measures.

Management of impacts, risks and opportunities in relation to the adaptation of our business models to climate change

We have also identified material impacts, risks and opportunities associated with climate adaptation. Global agriculture and food systems in particular are confronted with major challenges, such as climate change, the associated water scarcity and population growth. We therefore promote a concept of regenerative agriculture that is defined as an outcome-driven cropping system aimed at strengthening the resilience of agricultural production. This concept is based on two interconnected objectives: helping farmers maintain or increase yields with reduced application of agricultural inputs for improved social and economic wellbeing outcomes; and regeneration, which prioritizes a positive impact on nature. This second aspect includes efforts such as striving to improve soil health, preserving and restoring biodiversity in areas devoted to agriculture, conserving water resources, reducing field-level greenhouse gas emissions and increasing carbon sequestration. We are only at the beginning of our journey toward regenerative agriculture. We also realize there is not one single solution for every farm but rather a combination of different approaches that enable a regenerative agriculture system and deliver its benefits. The use of our various products and services supports farmers in implementing farming practices contributing to regenerative agriculture. Some of the innovations and solutions we have developed even have the potential to change current production systems toward regenerative agriculture (e.g. short-stature corn, hybrid wheat, direct seeded rice).

In the area of climate change, we face various risks and opportunities that could impact our operating activities. There are acute and chronic physical and transitory risks that could lead to a reduction in demand and corresponding sales losses for certain products in case the current product portfolio does not meet changed customer requirements related to the effects of climate change (e.g. shift in production zones, altered product requirements). In addition, extreme weather events and climate-related natural disasters are causing acute physical risks that could disrupt production processes and business practices along the entire value chain.

At the same time, these challenges also result in opportunities. It is possible that extreme weather events and climate-related natural disasters could result in higher demand for products that are particularly suited to climate change adaptation in agriculture. The perception of the effects of climate change (e.g. extreme weather conditions, low water levels, rising temperatures) can also accelerate the development of new business models that help to reduce greenhouse gas emissions (including carbon farming, low-carbon products and products with low global warming potential). There is also the opportunity of increased demand for products that help to cope with the negative health effects of climate change, particularly in the prescription medicines business of our Pharmaceuticals Division.

Policies in relation to the adaptation of our business models to climate change [E1-2]

Our most important framework for the management principles we utilize to make decisions in the area of climate change adaptation is our Transition and Transformation Plan. This plan is a central element of our overall strategy and establishes targets and actions necessary to strengthen our company's resilience against the impacts of climate change. As the Transition and Transformation Plan comprises all significant aspects of our adaptation strategy, we do not report on any other concepts in the area of climate change adaptation. For more on our Transition and Transformation Plan, please see the section "Our Transition and Transformation Plan for climate protection [E1-1]."

Actions in relation to the adaptation of our business models to climate change [E1-3]

Global agriculture and food systems in particular are confronted with major challenges, such as climate change, the associated water scarcity and population growth. Climate change also has a major impact on health and healthcare systems. The effects of climate change are already proven and impact global value chains. To meet these challenges, we have taken steps to adapt our business models. Central measures include innovative approaches for the adaptation of agriculture, further developing our product portfolio and ensuring business continuity in the value chain.

Innovative approaches for the adaptation of agriculture

To help shape the adaptation of agriculture, we promote the use of innovative and adapted farming practices and technologies by our agricultural customers. These include high-yielding crop genetics, crop protection products, precision irrigation systems, soil management tactics through no-till and cover crops, crop rotation, fertilization management, microorganisms and soil inoculants, direct seeding and alternate wetting and drying in rice cultivation, and digital and precision farming tools. Combining different levers can lead to customized solutions for our agricultural customers so that they can continue to achieve high yields under changing climatic conditions. We are working continuously to implement these measures.

Development of our product portfolio

We continuously work on our product portfolio and invest in innovation. With regard to climate change, there is the opportunity of increased demand for products that can help to cope with the negative health effects of climate change, for example particularly in the prescription medicines business of our Pharmaceuticals Division.

Business continuity in the value chain

With regard to climate change adaptation, extreme weather events and climate-related natural disasters are causing acute physical risks that could disrupt production processes and business practices along the entire value chain. We cooperate with our suppliers, particularly in the upstream value chain, and take out insurance coverage for our own production sites, subsequently reviewing our activities. We regularly review our actions to safeguard business capability and production.

Metrics and targets in the area of climate change

We measure our target attainment based on clearly defined metrics and thus make our progress and challenges as regards climate change transparent.

Targets related to climate change mitigation and adaptation [E1-4]

Our climate protection objectives are focused on our reduction targets.

Scope 1, 2 and 3 reduction targets

To reduce our own greenhouse gas emissions and those along our value chain, we have established the following reduction targets that have been developed in a structured process involving internal and external stakeholders.

Targets 2029:
In 2020, we set ourselves a target of achieving a 42% reduction in absolute combined Scope 1 and 2 greenhouse gas emissions[31] compared to the base year 2019 by the year 2029. The base year for our reduction target is 2019, at 3.76 million metric tons of CO_2 equivalents. Our combined Scope 1 and 2 target was once again validated by the SBTi in 2024; it is commensurate with the target path of 1.5 °C. We will offset the remaining greenhouse gas emissions from our own operational processes by 2030 by purchasing certificates from verified climate protection projects.

In 2025, we reduced our combined Scope 1 and Scope 2 greenhouse gas emissions by 25.9% (2024: 21.3%) compared to the base year 2019. In 2025, we reduced our Scope 1 greenhouse gas emissions by 9.4% (2024: 9.4%) compared to the base year 2019. This corresponds to a reduction of 0.19 million metric tons of CO_2 equivalents (2024: 0.2 million metric tons of CO_2 equivalents). In 2025, we reduced our (market-based) Scope 2 greenhouse gas emissions by 46.3% (2024: 36.8%) compared to the base year 2019. This corresponds to a reduction of 0.78 million metric tons of CO_2 equivalents (2024: 0.63 million metric tons of CO_2 equivalents). In 2025, we reduced our (location-based) Scope 2 greenhouse gas emissions by 16.3% (2024: 6.8%) compared to the base year 2019. This correspondsto a reduction of 0.29 million metric tons of CO_2 equivalents (2024: 0.12 million metric tons of CO_2 equivalents).

In 2020, we had set ourselves a target of achieving a 12.3% reduction in absolute Scope 3 greenhouse gas emissions compared to the base year 2019 by the year 2029. The reduction was based on the five categories of Scope 3 greenhouse gas emissions according to the GHG Protocol that were target-relevant for us at the time: (3.1) purchased goods and services, (3.2) capital goods, (3.3) fuel- and energy-related activities, (3.4) upstream transportation and distribution and (3.6) business travel. This target was validated by the SBTi in 2020 and supports the target path “well below 2 °C.” Scope 3 greenhouse gas emissions based on the five target-relevant Scope 3 categories amounted to 8.82 million metric tons of CO_2 equivalents in the base year 2019. With the target that was adjusted in 2024 and validated once again by the SBTi, we now want to achieve a 25% reduction in Scope 3 greenhouse gas emissions by 2029 (compared to the base year 2019); this is commensurate with the target path “well below 2 °C.” This adjusted reduction target includes all Scope 3 categories. In addition to expanding our reporting by including additional Scope 3 categories, we undertook adjustments to the methodology that enable a more complete calculation of greenhouse gas emissions. The inclusion of all Scope 3 categories also changes our Scope 3 greenhouse gas emissions in the base year 2019 to 10.34 million metric tons of CO_2 equivalents. In 2025, we reduced our Scope 3 greenhouse gas emissions by 12.0% compared to the updated reference value from 2019. This corresponds to a reduction of 1.24 million metric tons of CO_2 equivalents. For more information on the Scope 3 categories, please see the section “Greenhouse gas emissions of Scope 1, 2 and 3 and total greenhouse gas emissions [E1-6].”

[31] Comprises direct (Scope 1) and indirect (Scope 2, market-based) greenhouse gas emissions from Bayer sites with an annual energy consumption exceeding 1.5 terajoules and/or annual water withdrawal that is greater than or equal to 50 Tm^3. The target includes biogenic, land-related emissions and the degradation of greenhouse gases from bioenergy raw materials.

Net zero target 2050:
Our target is to achieve net zero greenhouse gas emissions including the entire value chain by 2050[32]. This corresponds to a 90% reduction in absolute Scope 1, 2 and 3 greenhouse gas emissions compared to the base year 2019. We intend to offset the remaining 10% greenhouse gas emissions through the purchase of certificates with long-term carbon capture[33]. We will thereby ensure that these residual emissions are offset in the long term. This target was validated in 2024 by the SBTi and is in line with the UN Sustainable Development Goals, the Paris Agreement to limit warming to 1.5 °C and the Business Ambition for 1.5 °C of the UN Global Compact Initiative. Our target of net zero greenhouse gas emissions by 2050 relates to the absolute figure compared to the base year 2019 and also includes any future changes or fluctuations in our greenhouse gas emissions (e.g. due to changed production volumes). Through the inclusion of all Scope 3 categories and through adjustments in the method of some Scope 3 categories, the baseline value of our total greenhouse gas emissions (Scope 1, 2 and 3) in the base year 2019 changes to 14.10 million metric tons of CO_2 equivalents.

In 2025, we reduced our total greenhouse gas emissions (Scope 1, 2 and 3) by 15.7% compared to the updated baseline value for 2019. This corresponds to a reduction of 2.21 million metric tons of CO_2 equivalents. For more information on the Scope 3 categories, please see the section “Greenhouse gas emissions of Scope 1, 2 and 3 and total greenhouse gas emissions [E1-6].”

We have set our greenhouse gas emissions reduction targets for the years 2029 and 2050. We have not defined any other target years. Our reduction targets for Scope 1, 2 and 3 greenhouse gas emissions are in line with the findings from our double materiality assessment and the global requirements of the GHG Protocol, as well as the cross-sector guideline of the SBTi. We regularly review our targets, target attainment based on the achieved reductions, and our total inventory of greenhouse gas emissions. For more information, please see the section “Greenhouse gas emissions of Scope 1, 2 and 3 and total greenhouse gas emissions [E1-6].” In 2024, our reduction targets were revalidated by the SBTi. We measure the effectiveness of our activities and actions based on target attainment. In implementing the measures, there are numerous dependencies, particularly as regards the available technologies, suitability for implementation along the value chain and regulatory requirements. When it comes to the reduction targets for Scope 3 greenhouse gas emissions in particular, there are only indirect, limited opportunities to exert influence. At present, we can see that the global community is not doing enough to meet the Paris climate goals. One example is the insufficient availability of renewable energies. Our target attainment measures are described in the section “Management of impacts, risks and opportunities in relation to reducing greenhouse gas emissions and energy.” We use two scenarios in our climate analysis that we also take into account when shaping our reduction plans.

Reducing greenhouse gas intensity in agriculture
The target for reducing greenhouse gas emissions in agriculture is based on our double materiality assessment. According to a report by the Intergovernmental Panel on Climate Change (IPCC) published in March 2023, agriculture, forestry and other land use account for around 22% of global greenhouse gas emissions. We have set ourselves the target of enabling 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 greenhouse gas intensity. The overall base-year greenhouse gas intensity includes the weighted greenhouse gas intensities of different crop-country combinations. Base years are defined individually for each crop-country combination, 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 greenhouse gas emissions calculation methodology and missing data from prior years. To calculate the overall base-year greenhouse gas intensity, individual greenhouse gas intensities per crop and country were weighted according to our footprint in these crops and regions. To do that, we use the total production volume of a particular crop in a particular market as stated in the database of the Food and Agriculture Organization (FAO) of the United Nations, our market share in this market and the greenhouse gas intensity of this crop in this country. Using this

[32] Comprises direct (Scope 1) and indirect (Scope 2, market-based) greenhouse gas emissions from Bayer sites with an annual energy consumption exceeding 1.5 terajoules and/or annual water withdrawal that is greater than or equal to 50 Tm^3. The target includes biogenic, land-related emissions and the degradation of greenhouse gases from bioenergy raw materials. With respect to our net zero target, all Scope 3 categories are taken into account when calculating the Scope 3 greenhouse gas emissions for the base year.
[33] The neutralization of the remaining emissions is carried out in accordance with the standards of the Science Based Targets initiative (SBTi).

methodology, our customers' overall greenhouse gas intensity weighted across all crop-country combinations in the scope of our target was 726 kilograms CO_2 equivalents per metric ton of crop produced (base-year greenhouse gas intensity of our target). We have published our methodology in a report titled "Bayer Reduction of on-field GHG Emissions - Methodological Report," which is available on our website.

Based on the data collected for the harvest years 2024 or 2025 (depending on the base year for the respective crop-country combination), our customers' total greenhouse gas intensity weighted across all crop-country combinations in the scope of our commitment fell by 20% (to 581 kilograms CO_2 equivalents per metric ton of crop produced) against the total weighted base-year greenhouse gas intensity (726 kilograms CO_2 equivalents per metric ton of crop produced). Key drivers for improvement are primarily due to India-rice- and US-cotton-reduced GHG intensity. We measure the effectiveness of our activities and actions based on target attainment. The target attainment measures are described in the section "Management of impacts, risks and opportunities in relation to reducing greenhouse gas emissions and energy." With this target, we directly address the implementation of regenerative farming practices and thus support both decarbonization and adaptation to future environmental conditions.

Energy consumption and mix [E1-5]

Production at our sites accounts for the most significant share of our energy requirement, which depends on the production processes applied and the depth of our value chain. Primary and secondary energy consumption required for production processes is usually dependent on the production volume: the more that is produced, the greater the energy consumption and also the associated greenhouse gas emissions. When calculating total energy consumption, we differentiate between primary and secondary energy consumption. The sources of primary energy consumed are renewable and fossil fuels that we use to generate electricity, steam and cooling energy for our own use and, to a small extent, for sale to other companies. Secondary energy consumption reflects the purchase of electricity, steam and cooling energy at our sites worldwide. Energy consumption data is collected annually within the scope of the environmental reporting of all environmentally relevant sites. Designated officers at the sites directly enter the data measured for the period January through October and estimated values for November and December into a central reporting platform. The estimate is based either on the prior-year data, where necessary adjusted to reflect special events in the current reporting period, or on updated data from the current reporting period. The data is then validated by a central team and reviewed for completeness. We regard all sites with an annual energy consumption exceeding 1.5 terajoules and/or annual water withdrawal that is greater than or equal to 50 Tm^3 as environmentally relevant. The environmental data of the other sites that lie below the thresholds has no relevant impact on the overall environmental data result. All metrics reported in our Sustainability Statement are verified by our auditor but are not subject to any additional certified external audit.

Total energy consumption of our company in 2025 fell slightly to 8,855 thousand MWh (2024: 9,055 thousand MWh). This includes both primary energy consumption, mainly of fossil fuels, and secondary energy consumption.

A 4.2.2/1

Energy consumption and mix

thousand MWh	2024	2025
Total fossil energy consumption	**7,058**	**6,440**
of which fuel consumption from coal and coal products	172	140
of which fuel consumption from crude oil and petroleum products	731	684
of which fuel consumption from natural gas	2,842	2,801
of which fuel consumption from other fossil sources	11	11
of which consumption of purchased or acquired electricity, heat, steam or cooling from fossil sources	3,303	2,804
thereof consumption of purchased or acquired electricity from fossil sources	1,740	1,378
thereof consumption of purchased or acquired heat, steam and cooling from fossil sources	1,563	1,426
Total nuclear energy consumption[1]	**303**	**287**
Total renewable energy consumption	**1,560**	**2,013**
of which fuel consumption from renewable sources[2]	191	221
of which consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources	1,366	1,788
thereof consumption of purchased or acquired electricity from renewable sources	1,331	1,745
thereof consumption of purchased or acquired heat, steam and cooling from renewable sources	35	43
of which consumption of self-generated nonfuel renewable energy	3	4
Total energy consumption from other nonrenewable sources[3]	**133**	**116**
Total energy consumption	**9,055**	**8,855**
Share of fossil sources in total energy consumption (%)	77.9	72.7
Share of nuclear sources in total energy consumption (%)	3.3	3.2
Share of renewable sources in total energy consumption (%)	17.2	22.7
Share of other nonrenewable sources in total energy consumption (%)	1.5	1.3
Self-generated nonrenewable energy production	**6,867**	**6,986**
Self-generated renewable energy production	**3**	**4**

[1] This figure is an estimate based on nuclear sources' share of the national electricity mix of the countries in which we buy electricity from the grid. Our data source is the International Energy Agency (IEA) monthly electricity statistics. The actual consumption of power from nuclear sources can deviate because the national electricity mixes bear only a statistical similarity to the composition of Bayer's electricity consumption from the grid.
[2] Includes fuel consumption from biomass, biogas and hydrogen from renewable sources
[3] Includes energy generated from waste

All business areas of our company are classified as high climate impact sectors according to the NACE definition (Commission Delegated Regulation (EU) 2022/1288). Our Crop Science Division is allocated to Section A, "Agriculture," while our Pharmaceuticals and Consumer Health divisions are allocated to Section C, "Manufacture of basic pharmaceutical products and pharmaceutical preparations." The calculation of our energy intensity thus takes into account the total energy requirement in proportion to sales of the Group (please see the section "Bayer Group Consolidated Income Statements" in Chapter B Consolidated Financial Statements).

A 4.2.2/2

Energy intensity

	2024	2025
Total energy consumption from activities in high climate impact sectors (thousand MWh)	9,055	8,855
Total net revenue from activities in high climate impact sectors (€ million)	46,606	45,575
Energy intensity (MWh/€ million)	194	194

Greenhouse gas emissions of Scope 1, 2 and 3 and total greenhouse gas emissions [E1-6]

At our company, direct greenhouse gas emissions (Scope 1) primarily result from the combustion of primary energy sources (mostly gas and oil) to produce electricity and thermal energy. Greenhouse gas emissions are also generated by our vehicle fleet and in the extraction and processing of raw materials (32.5%). Another portion of greenhouse gas emissions is attributable to chemical processes (35.1%). The purchase of electrical energy and of further energies, primarily for heating and cooling, accounts for the biggest shares of indirect (Scope 2) greenhouse gas emissions, at 20.2% and 12.2% respectively.

In accordance with the SBTi and the GHG Protocol, we take into account all Scope 3 categories for reporting on the attainment of our reduction target for Scope 3 greenhouse gas emissions. As we do not operate any franchise activities, while category (3.14) franchises is taken into consideration, it is currently not applicable. For more information, please see the section “Targets related to climate change mitigation and adaptation [E1-4].”

In 2025, changes were undertaken particularly in the calculation of Scope 3 greenhouse gas emissions. This encompasses the following areas:

// The number of reportable Scope 3 categories was increased to 15 categories. As part of the revalidation of the reduction targets by the SBTi, all parts of the upstream and downstream value chain were examined to identify additional greenhouse gas emissions. Although the calculation of the other Scope 3 categories showed that these additional greenhouse gas emissions are low in relation to overall emissions, we nonetheless included them in Scope 3 reporting and the calculation of the reduction target for Scope 3 greenhouse gas emissions.
// Changes also occurred in the transport-related Scope 3 categories (3.4) and (3.9). This includes changes resulting from the use of so-called well-to-wheel-based product carbon footprint (PCF) data from the EcoTransIT database, the separate reporting of the Scope 3 category (3.9) downstream transportation and distribution and the indicative quantification of greenhouse gas emissions from the storage of our products by wholesalers and retailers.

In 2025, we reduced our total Scope 1 and Scope 2 (market-based) greenhouse gas emissions by 5.8% compared with 2024. This could be achieved in particular through a further increase in electricity procured from renewable energies. In Scope 3, our greenhouse gas emissions rose slightly by 0.28 million metric tons of CO_2 equivalents. Category (3.1) purchased goods and services accounts for the most significant share of our Scope 3 greenhouse gas emissions, at around 69%.

A 4.2.2/3

Scope 1, 2 and 3 greenhouse gas emissions including related targets

		Retrospective			Milestones and target years[1]			
million t CO_2eq	Base year 2019	2024	2025	Change (%)	2025	2030	2050	Annual % target/ Base year
Gross Scope 1 GHG emissions[2]	2.08	1.88	1.89	+0.5	–	–	–	–
Share of Scope 1 GHG emissions from regulated emission trading schemes (%)	–	13.00	13.6	+4.6	–	–	–	–
Gross location-based Scope 2 GHG emissions	1.77	1.65	1.48	–10.3	–	–	–	–
Gross market-based Scope 2 GHG emissions	1.68	1.08	0.9	–16.7	–	–	–	–
Gross Scope 3 GHG emissions	10.34	8.82	9.10	+3.2	–	–	–	–
of which (3.1) Purchased goods and services	6.62	5.87	6.25	+6.5	–	–	–	–
of which (3.2) Capital goods	0.51	0.37	0.36	–2.7	–	–	–	–
of which (3.3) Fuel-and-energy-related activities (not included in Scope 1 or 2)[3]	0.73	0.64	0.67	+4.7	–	–	–	–
of which (3.4) Upstream transportation and distribution[3]	0.78	0.85	0.82	–3.5	–	–	–	–
of which (3.5) Waste generated in operations[3]	0.35	0.30	0.27	–10.0	–	–	–	–
of which (3.6) Business travel	0.30	0.21	0.13	–38.1	–	–	–	–
of which (3.7) Employee commuting	0.12	0.12	0.11	–8.3	–	–	–	–
of which (3.8) Upstream leased assets	0.002	0.002	0.004	+100.0	–	–	–	–
of which (3.9) Downstream transportation	0.03	0.02	0.02	–	–	–	–	–
of which (3.10) Processing of sold products	0.07	0.05	0.09	+80.0	–	–	–	–
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[3]	0.72	0.27	0.29	+7.4	–	–	–	–
of which (3.13) Downstream leased assets	0.10	0.10	0.10	–	–	–	–	–
of which (3.14) Franchises	n/a	n/a	n/a	n/a	–	–	–	–
of which (3.15) Investments	0.009	0.015	0.004	–73.3	–	–	–	–
Total GHG emissions (location-based)[3]	**14.19**	**12.35**	**12.47**	**+0.9**	**–**	**–**	**–**	**–**
Total GHG emissions (market-based)[3,4]	**14.10**	**11.78**	**11.89**	**+0.9**	**–**	**–**	**–**	**–**

[1] We have established our greenhouse gas emissions reduction targets for 2029 and 2050. We have not additionally established any explicit greenhouse gas emissions reduction targets for 2025 and 2030. For more information on our greenhouse gas emissions reduction targets, please see the section "Targets related to climate change mitigation and adaptation [E1-4]."
[2] The greenhouse gas emissions from the use of bioenergy are part of the Scope 1 greenhouse gas emissions. Here we assume that the greenhouse gas emissions from energy production are equal to the prior associated greenhouse gas removals.
[3] 2024 and base year figures restated owing to an extension to the methodology and the use of more precise emissions factors
[4] For us, the GHG Protocol's market-based method is the most reliable at reflecting Scope 2 emission values and the success of emissions reduction measures.

There were no significant changes in the corporate structure and value chain in 2025 that could impact the reportable greenhouse gas emissions. Nor were there any significant results or changes with regard to greenhouse gas emissions between our closing date and that of the companies in our supply chain.

We report our greenhouse gas emissions according to ESRS in line with the requirements of the Greenhouse Gas (GHG) Protocol. For the calculation of direct greenhouse gas emissions from our own production plants, vehicles and waste incineration plants (Scope 1) and indirect greenhouse gas emissions from the procurement of electricity, steam and cooling energy (Scope 2), the relevant activity data is determined at all environmentally relevant sites as part of annual environmental reporting. Designated officers at the sites directly enter the data measured for the period January through October and estimated values for November and December into a central reporting platform. The estimate is based either on the prior-year data, where necessary adjusted to reflect special events in the current reporting period, or on updated data from the current reporting period. The respective greenhouse gas emissions are then automatically calculated at the system level while taking into account site- or country-specific emissions factors. The data is then validated by a central team and reviewed for completeness. In our calculation of Scope 1 and 2 greenhouse gas emissions, we take into account the entire Group in accordance with the financial scope of consolidation, provided a site is environmentally relevant. We regard all sites with an annual energy consumption exceeding 1.5 terajoules and/or annual water withdrawal that is greater than or equal to 50 Tm^3 as environmentally

relevant. The environmental data of the other sites that lie below the thresholds has no relevant impact on the overall environmental data result. The calculation of our Scope 3 greenhouse gas emissions is based on the GHG Protocol's Corporate Value Chain (Scope 3) Standard. For all Scope 3 categories, activities are understood as including greenhouse gas emissions. Activity data are quantitative indicators of an activity level (e.g. fuel consumption in liters) that we derive from different internal systems or external sources for each Scope 3 category. Emissions are estimated using emissions factors that vary depending on the Scope 3 category. We obtain them from input-output models, life-cycle-assessment databases or directly from upstream and downstream value chain participants. The information on which our calculation is based is summarized below:

// (3.1) Purchased goods and services: We take into account the upstream processes (cradle-to-gate) of the purchased goods and services. The activity data (expenditures and volume disclosures) is extracted from our purchasing system. Beginning in 2026, we want to transition to a new input-output model and introduce additional emissions factor strategies (supplier-specific PCF factors and industry average factors from LCA databases). The introduction of these factors enables more precise quantification of the greenhouse gas emissions relating to these materials, and thus improved management of greenhouse gas emissions attributable to our suppliers.
// (3.2) Capital goods: We take into account all upstream processes (cradle-to-gate) of the purchased capital goods. The activity data is extracted from our purchasing system. We estimate greenhouse gas emissions with the help of an environment-related input-output model. The calculation is inflation-adjusted.
// (3.3) Fuel- and energy-related activities: We take into account all upstream processes (cradle-to-gate) of purchased primary and secondary energy. The activity data is extracted from our system for recording environmentally relevant metrics. We estimate greenhouse gas emissions using the average data methodology, for which we use data from an LCA database.
// (3.4) Upstream transportation and distribution: All direct and indirect (cradle-to-gate) greenhouse gas emissions from incoming, outgoing and stored transport, as well as transport and storage paid for by us, are taken into account. The activity data is extracted from our enterprise resource system and our purchasing system. Transportation emissions are calculated using the EcoTransIT logistics software and its transportation-specific emissions factors. We calculate emissions from storage with the help of emissions factors from an environmental input-output model that enables inflation-adjusted calculations.
// (3.5) Waste generated in operations: In the case of waste that is disposed of externally, we take into account the direct greenhouse gas emissions (gate-to-gate) of our waste disposers. The activity data is extracted from our system for recording environmentally relevant metrics. We source the emissions factors from our sites, our waste disposers and the literature (Intergovernmental Panel on Climate Change (IPCC)).
// (3.6) Business travel: We source activity data from rental car companies with respect to rented vehicles, from travel agencies with respect to air travel and from railway companies with respect to rail travel. In the case of rented vehicles, we source the emissions factors directly from rental car companies. In the case of air travel, we use the average emissions factors of the UK Department for Environment, Food and Rural Affairs (DEFRA), and in the case of rail travel, we use the specific emissions factors or the average data from LCA databases.
// (3.7) Employee commuting: We take into account the well-to-wheel emissions factors. We source the activity data from our enterprise resource system, while the emissions factors are derived from an LCA database.
// (3.8) Upstream leased assets: Data on our properties is sourced from a central database. Total emissions for this category are calculated together with site-typical energy consumption data sourced from the central environmental reporting system and emissions factors from an LCA database. For this, we use emissions factors from LCA databases.

- (3.9) Downstream transportation and distribution: In this category, we calculate greenhouse gas emissions from downstream transportation paid for by our customers and emissions generated in the storage of our products by wholesalers/retailers. For the former, we use the method described above under Scope 3 category (3.4); for the latter, we use sales volumes from our enterprise resource system for all products sold by us. These are calculated using average emissions factors for storage from the Global Logistics Emissions Council Framework.
- (3.10) Processing of sold products: Sales volumes of intermediates sold by us to processors are sourced from our enterprise resource system. The volumes contained therein are multiplied by an emissions factor for a typical product. This emissions factor is calculated based on internal production factors.
- (3.11) Use of sold products: We report the greenhouse gas emissions generated through energy consumption by equipment produced or operated by us. In the area of pharmaceuticals, this refers to contrast agent injectors and the related technical equipment. In the area of crop science, we market the FieldView™ data cube. The energy consumption of these applications is estimated using typical application cases and calculated using emissions factors from an LCA database. Crop protection products that are used on crops and soils are degraded in the environment into simpler substances. This degradation process depends on their molecular structure and various other factors and leads to the release of CO_2 and N_2O emissions. Since the degradation processes of crop protection products are very complex, these emissions have so far not been included in the calculation of Scope 3 Category 3.11
- (3.12) End-of-life treatment of sold products: We take account of all upstream processes (cradle-to-gate) that occur in the disposal of our product packaging. We source the activity data from our purchasing system, while the emissions factors are derived from LCA databases.
- (3.13) Downstream leased assets: Data from properties leased by Bayer is collected locally and calculated using site-typical energy consumption values from the central environmental reporting system and emissions factors from an LCA database.
- (3.14) Franchises: Bayer does not maintain any franchise activities, which is why no greenhouse gas emissions of franchise companies can be reported.
- (3.15) Investments: Greenhouse gas emissions from capital expenditures are calculated using shareholding and sales data of subsidiaries and affiliates, as well as sector-specific emissions factors from an environment-related input-output model.

Primary data about greenhouse gas emissions from our upstream and downstream value chain can currently only be obtained from a small number of parties. For that reason, we support our direct business partners in the calculation of this data and attempt in this way to increase the share of PCF data included in the calculation of our Scope 3 greenhouse gas emissions. Another goal is to support our suppliers in their decarbonization efforts (e.g. by transitioning to electricity from renewable energy sources) to achieve the global goal of net zero greenhouse gas emissions. In 2025, we could draw on primary data in the Scope 3 categories (3.5) waste generated in operations and (3.6) business travel. The share of emissions that can be estimated using the primary data is 0.32%.

Due to the varying depth of value creation, direct and indirect greenhouse gas emissions (Scope 1 and Scope 2) are unequally distributed among our divisions. Our raw material extraction activities, including treatment and downstream processing, for the manufacture of the crop protection intermediates of Crop Science are especially energy-intensive – this division therefore accounts for the greatest share of our greenhouse gas emissions.

A 4.2.2/4

Gross Scope 1 GHG emissions by division

million t CO_2eq	2024	2025
Gross Scope 1 GHG emissions	1.88	1.89
Crop Science	1.56	1.59
Pharmaceuticals	0.17	0.13
Consumer Health	0.02	0.02
Other segments[1]	0.13	0.13

[1] These include greenhouse gas emissions from the vehicle fleet and emissions caused by the enabling functions.

A 4.2.2/5

Gross market-based Scope 2 GHG emissions by division

million t CO_2eq	2024	2025
Gross market-based Scope 2 GHG emissions	1.08	0.90
Crop Science	0.93	0.76
Pharmaceuticals	0.08	0.08
Consumer Health	0.04	0.03
Other segments[1]	0.03	0.03

[1] These include greenhouse gas emissions from the vehicle fleet and emissions caused by the enabling functions.

Carbon dioxide (CO_2) accounts for the biggest share of our greenhouse gas emissions.

A 4.2.2/6

Gross Scope 1 GHG emissions by emitted greenhouse gas

million t CO_2eq	2024	2025
Gross Scope 1 GHG emissions	1.88	1.89
of which carbon dioxide (CO_2)	1.83	1.84
of which ozone-depleting substances	0.003	0.003
of which partially fluorinated hydrocarbons (HFCs)	0.04	0.03
of which nitrous oxide (N_2O)	0.01	0.01
of which methane (CH_4)	0.003	0.003

In 2025, approximately 14% of our Scope 1 greenhouse gas emissions were generated at sites that are subject to a regulated emissions trading scheme in which we participate (2024: 13%). In 2025, we participated in European emissions trading with a total of five plants (2024: five plants). The greenhouse gas emissions of these plants amounted to approximately 256,550 metric tons of CO_2 equivalents in 2025 (2024: approximately 248,000 metric tons of CO_2 equivalents).

As part of our energy procurement policy, we use various contractual instruments for the purchase of electricity from renewable sources depending on different regulatory requirements and local circumstances.

A 4.2.2/7

Contractual instruments related to purchased electricity from renewable sources

	2024	2025
Purchased or acquired electricity from renewable sources (thousand MWh)	1,331	1,745
of which share of electricity from renewable sources purchased through power purchase agreements (%)	56	51
of which share of electricity purchased from renewable sources evidenced by renewable energy certificates (%)	44	49

Biogenic CO_2 emissions at our company stem mainly from the combustion of biomass to generate energy and from the procurement of electricity derived from biomass. We calculate the biogenic CO_2 emissions for Scope 1 through our site-based reporting. We model the biogenic CO_2 emissions for Scope 2 based on the reported secondary energy derived from the incineration and biodegradation of biomass using the emissions factors of the International Energy Agency. We calculate the biogenic CO_2 emissions for Scope 3 at the level of the individual Scope 3 categories. For the Scope 3 category (3.5) waste generated in operations, greenhouse gas emissions are calculated based on the emissions factors determined for the sites for externally recycled or incinerated bio-based waste. For Scope 3 Category (3.12) end-of-life treatment of sold products, the volume of bio-based packaging materials (e.g. paper, cardboard packaging, wooden pallets) is extracted from our purchasing system and multiplied by material-specific emissions factors for biogenic CO_2 from an established life cycle assessment database.

We assume that biogenic CO_2 emissions will increase in the future due to our decarbonization strategy, as the transition from fossil- to plant-based raw materials is a lever for our decarbonization. For example, the rise in biogenic Scope 2 CO_2 emissions is due to an increased purchase of renewable energy from biomass.

A 4.2.2/8

Biogenic CO_2 emissions[1]

million t CO_2eq	2024	2025
Biogenic Scope 1 emissions of CO_2 from the combustion or biodegradation of biomass	0.15	0.16
Biogenic Scope 2 emissions of CO_2 from the combustion or biodegradation of biomass[2]	0.07	0.55
Biogenic Scope 3 emissions of CO_2 from the combustion or biodegradation of biomass that occur in our upstream and downstream value chain	0.23	0.20

[1] Not part of the previously reported Scope 1, Scope 2 or Scope 3 greenhouse gas emissions
[2] 2024 figure restated. For more information on the adjustments, please see the "Disclosures in relation to specific circumstances [BP-2]" section in Chapter A 4.1 General Information on the Sustainability Statement.

Our greenhouse gas intensity reflects total greenhouse gas emissions as a ratio of Group sales (please see the section "Bayer Group Consolidated Income Statements" in Chapter B Consolidated Financial Statements). Our greenhouse gas intensity in 2025 was 274 metric tons of CO_2 equivalents/€ million net sales (2024: 256 metric tons of CO_2 equivalents/€ million) according to the location-based method and 261 metric tons of CO_2 equivalents/€ million (2024: 243 metric tons of CO_2 equivalents/€ million) according to the market-based method.

A 4.2.2/9

GHG intensity

t CO_2eq/€ million	2024	2025
GHG emissions intensity (location-based)	256	274
GHG emissions intensity (market-based)	243	261

We have been calculating our own greenhouse gas emissions (Scope 1 and 2) for several years, including in the period prior to our reduction target base year 2019.

GHG removals and GHG mitigation projects financed through carbon credits [E1-7]

Our focus is on reducing our greenhouse gas emissions and on the associated targets and actions. We also participate in voluntary carbon markets.

Within the scope of our activities on the voluntary carbon markets, we offset 0.91 million metric tons of CO_2 equivalents in 2025 (2024: 0.71 million metric tons of CO_2 equivalents). These offsets result from reductions outside of our value chain. We thereby cover our own greenhouse gas emissions from operational processes (Scope 1 and 2). We exclusively purchased certificates from nature-based solutions in 2025, especially forest conservation and agriculture projects. 56% of the CO_2 certificates originated from projects aimed at reducing CO_2 emissions. Through the purchase of CO_2 certificates, we supported projects aimed at carbon reduction and capture. All certificates we purchased in 2025 were used for that year. The projects are implemented in the following countries: Brazil, Cambodia, Indonesia, Paraguay, Sierra Leone, the United States and Uruguay. Additional information about the projects can be found on our website. No projects were supported in the European Union. All of our certificates lie outside the scope of corresponding adjustments for trade in carbon credits between governments.

We have defined the following specific criteria for our purchase of certificates from climate protection projects with the goal of a high standard that we want to continuously improve and further develop. These criteria comprise transparency, additionality, permanence, measurability, quality/standards, innovation, impact, co-benefits, no leakage, no double counting and no net harm.

In 2025, 100% (2024: 100%) of our purchased certificates were verified according to external standards such as Verified Carbon Standard (VCS), CCB or EcoRegistry. We also obtain the opinion of an independent external service provider to assess their quality and integrity.

We will need long-term emissions-reduction CO_2 certificates in the future to attain our net zero target by 2050. We define net zero greenhouse gas emissions by 2050 as a 90% reduction in our total greenhouse gas emissions[34] compared to the base year 2019. We intend to offset the remaining 10% greenhouse gas emissions through long-term emission credits[35].

Through our own initiatives, which we drive forward particularly in our downstream value chain, we contribute to the reduction and storage of greenhouse gas emissions. For example, the Bayer Carbon Program financially supports farmers who adopt agricultural practices through which, for example, more greenhouse gas emissions can be stored in the soil. We manage the risk of nonpermeability by using remote sensing and field samples to regularly monitor carbon captured in the soil and the agricultural practices used. Any deviations that would lead to lower actual carbon capture are minimized by focusing on altered practices without land-use changes, as well as tracking and deducting external inputs where necessary. Reversal events are identified through regular data reviews. Corrective measures and buffering capacities are used to offset losses. The processes are independently audited and updated based on new data and feedback from stakeholder groups. The relevant data for quantifying the volume of GHG emissions stored in the soil is collected directly from farmers with the help of FieldView™ and surveys. This data is collated into project submissions to carbon credit certification bodies, validated and subsequently verified by an independent verification body. The resulting Verified Carbon Units (VCUs) can then be sold on the market. All the fields of the farmers participating in the program are reviewed annually for potential reversals. No notable reversals were determined for Bayer programs. We acquired the equivalent of 0.17 million metric tons of CO_2 from this program in 2025 (2024: 0.1 million metric tons of CO_2 equivalents). Owing to delays in the registration authorities, no greenhouse gas certificates were issued in 2025 (2024: more than 359,000 greenhouse gas emissions certificates). The next presentations for our projects in India and the United States are planned for 2026.

We also support a number of smaller projects that we do not, however, include in our published additional contribution. In addition, we offset greenhouse gas emissions resulting from air travel. In 2025, we offset 0.13 million metric tons of CO_2 equivalents of greenhouse gas emissions from air travel (2024: 0.21 million metric tons of CO_2 equivalents). In 2025, we did not make any product-related statements on or assert any claims to greenhouse gas neutrality in connection with the use of CO_2 certificates.

Internal carbon pricing [E1-8]

We want to align our capital expenditures with our target of achieving net zero greenhouse gas emissions by 2050. To make the carbon footprint of a capital expenditure visible for the decision-making process, we have introduced for the calculation of a capital expenditure an internal CO_2 shadow price of 100 €/metric ton of CO_2 equivalents for the greenhouse gas emissions expected with a 10-year use of the investment. Through this, we want to support decisions in favor of more climate-friendly capital expenditures. The internal CO_2 shadow price covers both the expected Scope 1 emissions and the Scope 2 emissions from the capital expenditures. Excluded here is any use of electricity that is associated with the capital expenditure for which our strategy for the transition to electricity from renewable energies is authoritative. The calculation of the internal CO_2 shadow price is part of our capital expenditure decision analysis for projects with a volume exceeding €10 million. This calculation is part of the environmental assessment, which takes into consideration both emissions reductions and energy efficiency measures. The internal CO_2 price is also voluntarily applied for projects with a volume below €10 million that are directly related to the consumption of fossil fuels or the use of heating or cooling energy. An allocation of the current greenhouse gas emissions (Scope 1 and 2) to the internal

[34] Total Scope 1, Scope 2 and Scope 3 greenhouse gas emissions. Comprises direct (Scope 1) and indirect (Scope 2, market-based) greenhouse gas emissions from Bayer sites with an annual energy consumption exceeding 1.5 terajoules and/or annual water withdrawal that is greater than or equal to 50 Tm^3. Scope 3 includes all Scope 3 categories defined in the Greenhouse Gas (GHG) Protocol.
[35] The neutralization of the remaining emissions is carried out in accordance with the standards of the Science Based Targets initiative (SBTi).

CO_2 shadow price is currently not applicable since the internal CO_2 shadow price is applied on a project-related basis.

Although there were no projects with a volume exceeding €10 million in 2025 for which the CO_2 shadow price was applied, the concept serves as a decision-making aid for our capital expenditure projects. Beyond being used as a decision-making aid, the internal CO_2 price is not additionally applied in the assessment of the useful lives, residual values or impairment of our assets, or of the fair value of assets acquired through corporate acquisitions.

The following criteria were used to determine our CO_2 price of €100/metric ton of CO_2 equivalents:

// Conformity with the price of CO_2 emissions certificates within an emissions trading system
// Conformity with the price of a carbon tax
// Societal costs of carbon
// Price/cost of voluntary carbon compensation certificates
// Cost of measures needed to attain greenhouse gas emissions reduction targets
// Valuation compared with competitors

4.2.3 Pollution

Pollution can present considerable risks to human health, biodiversity and natural resources, which underscores the urgency of proactive measures. As part of our commitment to environmental responsibility, we want to protect the environment and continuously improve our environmental performance.

Management of impacts and risks related to pollution due to incidents

With the help of our double materiality assessment, we have identified impacts and risks related to pollution. Accordingly, unforeseen events can lead to uncontrolled emissions that can cause diminished air and water quality and thus present a threat to people and the environment. In addition to potential damage to health and the environment, soil and groundwater contamination can lead to financial risks due to remediation costs, operational disruptions or loss of reputation.

Policies related to pollution due to incidents [E2-1]

Our policies related to unforeseen events govern the way we handle incidents occurring in the plants and production facilities in our own operations and in the value chain. They also serve as the basis for mitigating possible threats in the area of pollution.

Managing incidents through the Health, Safety, Environment (HSE) Management and HSE Key Requirements Policy

Our Health, Safety, Environment (HSE) Management and HSE Key Requirements Policy is geared toward reducing negative impacts related to pollution, particularly of air, water and soil. The policy contains several important principles and requirements for environmental management to reduce pollution and its impacts.

// **Management of water and air emissions**: The policy states that all sites should identify, evaluate, manage, monitor and document relevant environmental matters and impacts. The environmental matters include wastewater, air emissions, waste, noise and light exposure, and the pollution of soil, groundwater or other media.

- **Reduction of environmental risks**: The policy requires actions to be taken to mitigate the identified environmental impacts and risks, and to ensure that environmental management complies with current regulations and with internal and external obligations.
- **HSE risk mitigation management**: We plan and implement the necessary controls to identify, evaluate and manage HSE risks. The policy also describes the methods used to mitigate these risks and the management system framework established to ensure compliance with the applicable legal requirements and the company's internal requirements. Sites and teams systematically identify and analyze HSE hazards within their functions or operations to determine risk levels. They develop and document HSE action plans to manage risks to keep them to a level that protects personnel, assets and the environment. The risk analysis is communicated internally to relevant decision-makers and affected stakeholders.
- **Soil and groundwater management**: Sites identify, evaluate, monitor and document the relevant environmental matters and impacts of their activities and/or operations. The environmental matters include soil and groundwater pollution. Actions are taken to mitigate the identified environmental impacts and risks, and to ensure that environmental management complies with current regulations and with internal and external obligations.
- **Waste management**: Wastewater, waste gas and waste streams are documented in an inventory that lists their composition, volume, disposal route and emission control thresholds. Waste management follows the principles of waste hierarchy and considers the best available technologies, global regulations and legal requirements. Actions are taken to prevent incidents and exceedances, including those involving wastewater and waste streams. Third parties involved in environmental management are commissioned and evaluated, taking into account criteria for environmentally compatible and compliant operations. The general environmental management principles are complied with, with priority being given to avoiding the generation of waste/emissions, recycling wherever reasonably practical and minimizing waste/emissions that cannot be avoided or recycled.

The policy governs several important requirements for handling various pollutants and substances to ensure safety, compliance and environmental protection:

- **General hazardous materials**: Employees who handle hazardous materials are trained prior to their use in the physical, chemical, biological and toxicological properties of the materials used. The latest HSE data is accessible for all materials used to ensure that the associated HSE hazards are addressed and evaluated, and actions taken to mitigate risks. The corresponding rules and regulations (such as chemicals legislation and transportation standards) are followed for all relevant materials. Safety data sheets must be provided for all raw materials, intermediates, products, maintenance and laboratory chemicals, inputs and fuels.
- **Radioactive substances and biological materials**: Sites and teams must develop and maintain a plan detailing the preparations for, and reaction to, emergencies. This plan encompasses the management of hazardous material releases, including chemical, biological and radioactive substances.
- **Storage and labeling**: All materials are labeled and marked according to local and international laws (such as containers, tanks and storage containers).
- **Emergency planning and fire prevention**: A fire prevention concept is developed and documented for all buildings and units based on an assessment of fire hazards that considers the probability of a fire and the potential consequences. Corresponding actions are defined and implemented based on the assessment and on internal and legal requirements, including structural fire protection, fire prevention and firefighting systems, procedures and personnel training measures. In so doing, the availability and expertise of internal and external emergency personnel are taken into account.

Our policy also comprehensively deals with the most important requirements for preventing incidents and emergency situations, as well as for monitoring and limiting the impacts on people and the environment.

- **Commitment of leadership and management**: Each unit is responsible for integrating HSE responsibility into its management system by appointing managers to monitor HSE within their scope of responsibility. The individual companies are responsible for all work processes but can transfer specific responsibilities to managers with the relevant competence. This ensures that management is effective at all sites in order to meet the legal and internal requirements.
- **Compliance with regulations and implementation of the most important HSE requirements**: Sites and teams have documented processes in place to regularly identify, evaluate and monitor the applicable HSE requirements.
- **Continuous improvement and workforce participation:** The sites and teams encourage employees' involvement in the identification of improvement potentials and in their implementation.
- **Emergency planning and response:** The policy also refers to structured approaches for responding to incidents, including emergency planning and fire prevention measures.

For more information on the Health, Safety, Environment (HSE) Management and HSE Key Requirements Policy, please see the section "Holistic policies for managing material sustainability matters [MDR-P]" in Chapter A 4.1 General Information on the Sustainability Statement.

Ensuring safety and environmental protection through process and plant safety

Our rules on process and plant safety (PPS) are focused on preventing dangerous releases and ensuring safety, and thus serve to reduce the risk of air, water and soil pollution. This contributes to the overarching objective of preventing incidents, ensuring the safe handling of hazardous substances, complying with legal provisions and promoting continuous process improvement. The process and plant safety rules therefore describe requirements, procedures and roles and responsibilities to ensure that risks are reduced as far as possible to avoid unacceptable consequences for people and the environment. The monitoring process covers the systematic assessment of process and plant safety risks, including identifying and assessing hazards, operational control, change management, contingency planning and performance monitoring. Compliance with process and plant safety rules is regularly monitored through internal audits and reviews.

The rules underscore the importance of identifying and evaluating hazards associated with processes and plants, including physical impacts, chemical reactions, fires and explosions, as well as health and environmental hazards. Safe processes are prioritized through extensive hazard analyses and risk assessments.

Through the establishment of process and plant safety rules, we take into account the interests of stakeholders such as our own workforce by ensuring legally compliant safety and environmental protection standards and thus aiming to prevent dangerous releases that could negatively impact air, water and soil quality. This approach addresses stakeholders' concerns with regard to the contamination of natural resources. These rules are implemented under the leadership of the Public Affairs, Sustainability & Safety Enabling Function. The rules are available internally and primarily aimed at employees who work in site management, process operations and project planning. They apply worldwide to our own workforce and workers in the value chain who are based at our sites. The Responsible Care™ program of the German Chemical Industry Association to ensure comprehensive safety and environmental protection is accounted for through implementation of these rules. Our activities in this regard also comply with the REACH and CLP regulations.

With regard to preventing incidents and emergency situations, the rules describe contingency planning, including the identification of foreseeable process safety incidents and the preparation, examination and regular review of contingency plans to minimize the impacts on people and the environment. They also emphasize the importance of training personnel specifically to be able to act in an orderly and timely manner in the event of an alarm or emergency situation, as well as to coordinate with external emergency responders and share relevant safety information with everyone involved. The rules also underscore the necessity of investigating incidents, learning from incidents and near misses, and sharing results to prevent their recurrence and mitigate the consequences.

Complying with environmental safety through the Bayer Supplier Code of Conduct
The Bayer Supplier Code of Conduct deals with the management of hazardous materials, substances of concern, natural resources, climate protection and compliance with laws and regulations related to pollutants and substances.

It addresses our potential impacts on pollution by prescribing strict compliance with environmental and safety standards, and the responsible handling of hazardous substances, including substances of concern (SoCs) and substances of very high concern (SVHCs), thereby reducing the risk of uncontrolled emissions and ensuring compliance with legal requirements to prevent operational and sales disruptions. Suppliers must, for example, have safety programs and management systems in place to manage and maintain all of their production processes in compliance with applicable safety standards. Audits are conducted to verify their implementation. The safety programs must be commensurate with the plant and process risks. Suppliers are obligated to adequately disclose and manage the hazards related to their processes and products in order to ensure that impacted or potentially impacted third parties are protected. Relevant incidents must also be quickly analyzed and communicated.

Suppliers must comply with product safety regulations, properly label products and communicate the product handling requirements. Wherever there is a legitimate need, we provide the relevant parties with the respective documents containing all required safety-relevant information for all hazardous substances. This includes product information, safety data sheets, notification or registration verifications, as well as uses and exposure scenarios. Suppliers proactively and transparently share information on the health, safety and environmental aspects of their products with all relevant parties. Through the described measures for complying with product safety regulations and the provision of relevant information, we would like to contribute to the substitution and minimization of the use of substances of concern. For dangerous plants and processes, the supplier must regularly conduct specific risk assessments and take measures to prevent the occurrence of incidents such as the release of chemicals, fires or explosions.

Our suppliers must act in a responsible and resource-efficient way by conserving natural resources. They must ensure, for example, that wastewater is disposed of safely and in compliance with regulations, and that wastewater emissions are safe for the surface waters and groundwater they are discharged into. They must also, as far as possible, prevent and minimize the release of hazardous materials or active ingredients into the environment through emissions. Suppliers must, for example, focus on the handling of substances containing mercury or that are classified as persistent organic pollutants (POPs), as well as on the handling of waste materials, waste gases or wastewater that could contain mercury or POPs. The suppliers must deal with these substances in accordance with the Minamata Convention on Mercury and the Stockholm Convention on Persistent Organic Pollutants. For more information on the Bayer Supplier Code of Conduct, please see the section “Holistic policies for managing material sustainability matters [MDR-P]” in Chapter A 4.1 General Information on the Sustainability Statement.

Actions related to pollution due to incidents [E2-2]
To effectively prevent unforeseen events, we have developed a comprehensive package of measures focused on safety in our operations and value chain.

Integrating health, safety and environmental practices in all global operations
We have implemented a process-oriented management system for health, environmental protection and safety across all sites and countries, supported by a document management system. The tasks this entails include identifying hazards and conducting a risk assessment for all routine and nonroutine work, taking into account the impacts on humans and the environment, compliance with legal provisions, and the company’s assets and reputation. Employees are involved in the identification and assessment of risks, and actions are defined and implemented to reduce these risks to the lowest practicable level. Employees are adequately notified of relevant risks and suitable risk mitigation measures. Health, safety and environmental matters are accounted for in product and process development, including substituting hazardous substances, conserving energy and resources, and applying the principles of inherently safer design. Operating procedures are established, and employees receive safety training prior to executing tasks, with regular refresher training and updated training measures after relevant

changes. Maintenance and inspection ensure the reliability of equipment. A global health, safety and environmental audit program based on ISO 19011 is in place that encompasses both general HSE audits and process & plant safety audits. The actions are globally implemented at all relevant production sites and are ongoing. A health, safety and environment officer is assigned to each production site who is entrusted with overseeing safety, prevention and causal analysis and has at their disposal the necessary budget for these activities.

Ensuring operational safety through our process and plant safety management system
The process and plant safety management system is based on seven critical pillars of action that together constitute our measures to ensure operational safety and prevent incidents at our facilities. These pillars comprise the following elements:

// **Organization and personnel**, focusing on structuring teams and defining roles to ensure that all employees are competent and aware of their safety responsibility
// **Risk identification and assessment**, a systematic approach for identifying and assessing potential risks
// **Operational control**, including the implementation of processes to ensure reliable operational management
// **Change management**, which meets the need to carefully monitor all changes to processes, equipment or organizational structures made in order to avoid new risks
// **Contingency planning,** which is essential to prepare for and effectively respond to incidents
// **Performance oversight,** including continuously assessing safety practices to identify improvement potentials
// **Audit and review**, which are crucial to review the effectiveness of the process and plant safety management system and identify improvement potentials

Consistent compliance with these pillars is essential to ensure that a high degree of process and plant safety can be guaranteed and safety incidents avoided in the long term. This commitment is supported by additional binding internal rules that contain detailed specifications for each pillar. In the implementation of these pillars, locally applicable laws and provisions must also be taken into account and complied with in order to create a comprehensive and effective framework for the safety management of processes and plants.

The management system applies to new and existing processes and plants that we own, have designed or operate, or for which we are legally liable, and that are subject to binding rules on process and plant safety management or on preventing serious accidents (e.g. Seveso Directive, Occupational Safety and Health Administration (OSHA), Process Safety Management (PSM), Environmental Protection Agency (EPA), risk management plans (RMPs) etc.), or that in the event of a fire could pose an unacceptable health, safety or environmental risk, such as an explosion or a discharge of energy or substances.

The management system describes operational measures that should be continuously implemented. Progress varies based on whether they address a new or existing process and plant. At every production site, there is a dedicated role in the areas of health, safety and environmental protection that addresses safety, prevention and causal analysis, including the necessary budget.

Cooperation to prevent pollution along our supply chains
We are committed to preventing uncontrolled pollution in our supply chain by monitoring the performance of our chemical suppliers. These measures are designed to identify areas requiring improvement and ensure compliance with the Bayer Supplier Code of Conduct. Systematic assessments and regular audits of our chemicals suppliers ensure, for example, that they comply with the required wastewater treatment standards, which reduces the risk of improper wastewater emissions. Corrective action plans help to rectify identified deficits and continuously improve supplier performance, while assessment analysis identifies specific improvement areas. Compliance with the Bayer Supplier Code of Conduct ensures that only suppliers that meet the environmental standards described remain part of the supplier chain. This in turn preserves water quality.

We have introduced a series of assessments and audits to measure our suppliers' sustainability performance. Whenever material impacts are identified, we cooperate with the affected parties to provide remedial measures and support corrective measures. The focus of these activities lies on our sub-suppliers, who are critically important for our supply chain, for example because they are strategically important suppliers for production. By concentrating on these suppliers, we want to promote a culture of sustainability and ethical practices in the supply chain right from the outset. We are committed to continuous monitoring and improvement to ensure that sustainability remains a central aspect of our supplier relationships.

Management of impacts and risks related to pollution due to the handling of substances of (very high) concern according to ESRS

In addition to impacts related to unforeseen events, our double materiality assessment has identified potential negative impacts from the handling of substances of concern (SoCs) and substances of very high concern (SVHCs) according to ESRS for our products that can pose a risk to people and the environment. In particular, new and updated regulatory restrictions on the sale of products containing SVHCs could lead to reduced sales of impacted products. Operational disruptions and business continuity problems could also occur due to supply chain interruptions caused by regulatory restrictions or environmental scenarios.

Policies related to pollution due to the handling of substances of (very high) concern according to ESRS [E2-1]

To counter the identified impacts and risks related to substances of (very high) concern according to ESRS, we have introduced policies that encompass strict controls, regular monitoring and continuous improvement initiatives to protect human health and the environment.

Mitigating the pollution risk by assessing substances

To mitigate the risks associated with possible pollution hazards regarding substances of (very high) concern according to ESRS, we apply our global policy governing the assessment of chemical substances. The policy contains a comprehensive approach to ensuring compliance with legal provisions, administering safety data, monitoring the supply chain, training personnel and maintaining organizational oversight. Together, these aspects contribute to a structured and effective monitoring process geared toward mitigating risks and ensuring safety and compliance with the regulatory framework.

Our policy describes how we monitor substances of concern identified by the European Chemicals Agency (ECHA) and what measures we subsequently undertake in our company. According to our policy, information about each managed substance and its impacts on humans and the environment must be available throughout the Bayer Group. Product information obligations for substances handled within the European Union are established in the EU legal provisions (such as REACH). The chemical regulations for substances administered outside the EU must be followed accordingly, and, if they are not subject to legal requirements concerning the publication of information, a minimum data set is defined to enable hazard and risk assessments.

The policy underscores the importance of safety, compliance with legal regulations and the proper handling, storage and labeling of materials. These practices are of crucial importance for the handling of substances of concern and of very high concern. The policy stresses the importance of the REACH and CLP regulations of the European Union as well as other international regulations that require the registration and classification of substances. The goal is to provide information on substances' impacts on humans and the environment, as well as to establish responsibilities within the company. The evaluation of substances as well as product stewardship measures and regular reviews of the substance dossiers promotes the identification and gradual phasing out of substances of concern and very high concern in order to minimize their use. The policy ensures that data on the inherent properties and hazards of the handled substances is available. Consequently, comprehensive risk assessments can be conducted at the site level to ensure safe handling and minimize risks related to air, water and soil pollution and exposure. To ensure impacted internal stakeholders are informed about the handling or use of these substances, the policy also deals with the monitoring of substances of very high concern, impact assessment and the determination of relevance,

followed by governance. The evaluation of substances in combination with product stewardship measures and regular reviews of substance dossiers supports the identification and step-by-step withdrawal of substances of concern and very high concern to minimize their use. In addition, it focuses on various aspects such as compliance with legal provisions, safety data sheets, chemical safety assessments, supply chain management, and organizational roles and responsibilities related to health, safety and environmental protection.

The global policy applies to relevant organizational units, particularly in the areas of research and development, production, supply chain management, health, safety and environmental protection. The Public Affairs, Sustainability & Safety Enabling Function and the quality functions in the divisions are responsible for steering the implementation of this policy. The policy accounts for the most important commitments with regard to stakeholders and establishes the operational responsibilities for compliance with chemical legislation. It is available internally to all employees.

Sustainability assessment for new capital expenditures of more than €10 million
To study the impacts of capital expenditure projects on the environment and sustainability, we have introduced a policy pertaining to the environmental and sustainability assessment of new capital expenditures. It makes an environmental and sustainability study compulsory for all new capital expenditure projects with a volume exceeding €10 million. This includes both new and expanded manufacturing processes such as chemical synthesis, formulation, filling, packaging, seed processing and infrastructure installation, as well as laboratory activities and other business activities at a site, including office buildings and warehouses. The environmental assessment process encompasses a number of steps to ensure the identification, assessment and continuous management of environmental impacts. This process covers the use of relevant expertise, the deployment of specific assessment tools and the carrying out of extensive environmental impact assessments. It also involves continuously collecting and evaluating data and regularly reviewing and updating existing assessments to adapt them to new information or amended environmental regulations.

The policy deals in various ways with substituting and minimizing substances of concern and successively phasing out substances of very high concern. It specifies that all relevant environmental and sustainability matters must be taken into account in the assessment, including substances that are involved in the production process and are traceable in the outlet streams of the plant or site, such as waste gases, wastewater and solid waste. These include substances of concern and of very high concern. The policy describes specific requirements for the assessment in order to account for substances involved in the production process and their impacts on the environment, such as particulate-containing waste gases, volatile organic compounds (VOCs) and other pollutants, as well as wastewater contaminated with various substances. The assessment also takes into account direct and indirect greenhouse gas emissions, water and energy consumption, noise and light emissions, biosafety, impacts on biodiversity, occupational health and safety, and social and ethical aspects impacting the workforce and local communities.

Through the environmental assessment of new plants, the policy also helps to prevent incidents and emergency situations and to control and limit their impacts on people and the environment. Our Public Affairs, Sustainability & Safety Enabling Function works together with the quality functions of the divisions to ensure the implementation of this policy. The target group comprises the community of assigned venture and project managers who head up these capital expenditure projects. This internal policy is provided to all departments, countries and regional organizations.

Actions related to pollution due to the handling of substances of (very high) concern according to ESRS [E2-2]

To mitigate our impacts related to substances of (very high) concern according to ESRS, we have initiated measures to assess and reduce product-related environmental risks.

Product-related environmental risk management to ensure compliance and safety

In accordance with our policy on chemical substance assessment, we have taken measures to effectively manage risks in connection with material hazards. These measures encompass the management of environment-, social- and governance-related topics during the entire life cycle of our products. We proactively observe political and regulatory trends that could affect our product portfolio. The tasks involved include closely observing regulatory changes and restrictions, and continuously evaluating their potential impacts on our business activity.

Our approach to managing regulatory developments in the area of chemicals encompasses the continuous monitoring of global regulatory landscapes, technical lobbying and impact assessment, as well as the design, implementation and support of business processes and systems that ensure safe and compliant operations, such as the registration of chemicals and the provision of safety data sheets.

The primary goal of our measures is to enable the safe and legally compliant import, use, transport and storage of hazardous substances and goods. The most important results of these measures include:

// Collection and assessment of health, safety and environmental protection (HSE) data for chemicals in the research and development (R&D) process
// Classification of substances according to the Globally Harmonized System of Classification and Labelling of Chemicals (GHS) and the Hazardous Goods Ordinance
// Provision of safety data sheets and transport labels/papers
// Registration of chemicals according to REACH (EU) and compliance with other international chemicals regulations

Our ESG unit, as part of the Public Affairs, Sustainability & Safety Enabling Function, plays a key role in the observation and monitoring of regulatory restrictions and changes, as well as of environmental scenarios. This unit cooperates closely with Corporate Public Affairs and the Regulatory Affairs and Supply Chain functions in the divisions. We involve relevant departments at an early stage by assessing the relevance and impacts of regulatory developments on our portfolio, particularly when using substances of concern (SoCs) according to ESRS and substances of very high concern (SVHCs) according to ESRS. This proactive involvement enables us to switch in good time to substitutes or determine suitable mitigation measures such as investment in control measures.

These are not one-off measures but rather take place continuously. They do not follow a fixed schedule but instead are integrated into the company's operating procedures as a constant commitment.

Metrics and targets in the area of pollution

It is important to us to present pollution metrics to illustrate the developments in critical areas and thus promote the responsible management of our impacts, risks and opportunities.

Targets related to pollution [E2-3]

We have not set ourselves measurable, time-dependent, results-oriented targets with regard to our impacts, risks and opportunities in the area of pollution (apart from greenhouse gas emissions). Nor do we currently plan to set such targets, as we constantly seek improvements to minimize the material impacts and risks associated with pollution and waste in accordance with our Health, Safety, Environment (HSE) Management and HSE Key Requirements Policy. The area of health, safety and the environment is highly regulated in many scenarios. All legal and other requirements must be complied with. We therefore do not have any additional targets.

The effectiveness of our policies and actions with regard to the material impacts, risks and opportunities associated with pollution is tracked by our HSE management system. Within this framework, all measures are taken that are needed to achieve our ambition in the areas of health, safety and the environment. As a formalized management system, this helps to ensure that employees are informed about responsibilities and processes to meet legal and regulatory requirements.

Supported by our HSE principles, we undertake to:

// Integrate HSE into business strategies and processes
// Systematically identify, assess and manage HSE risks along the value chain and throughout the entire product life cycle
// Provide resources needed to account for our HSE principles
// Manage our HSE performance and the development of yearly and long-term HSE targets to achieve continuous and sustainable improvement
// Review compliance with internal and external HSE requirements through audits
// Manage HSE matters and their impacts on practices, processes and products to meet stakeholders' expectations
// Promote awareness of HSE and strengthen trust in our business
// Make every employee aware of their responsibility for HSE and demand commitment

Pollution of air, water and soil due to environmental incidents resulting from emissions according to Regulation [EC] No. 166/2006 and of substances of concern and very high concern according to ESRS [entity-specific disclosures]

Environmental management at our sites comprises the monitoring and reduction of emissions. We comply with the legal thresholds in our normal operations to ensure that emissions of pollutants into the air, water and/or soil represent material negative impacts only in the event of unforeseen environmental incidents. For environmental incidents, we therefore report on emissions of substances listed in the European Pollutant Release and Transfer Register (E-PRTR, please see Annex II of Regulation [EC] No. 166/2006 of the European Parliament and Council) into the air, water and/or soil, and on emissions of substances of concern and very high concern according to ESRS. Classification as a substance of concern is dependent on whether the substance is listed in Annex VI Part 3 of the CLP Regulation (22nd Adaptation to Technical Progress) under one of the hazard classes or hazard categories listed in ESRS. Classification of a substance of very high concern is based on the European Chemicals Agency (ECHA) list of candidates that correspond to the criteria pursuant to Article 57 and were identified pursuant to Article 59(1) of the REACH Regulation. Substances of very high concern are, according to ESRS, a subgroup of substances of concern according to ESRS and are therefore included in the reported quantities of substances of concern according to ESRS. We report the emissions volumes of substances whose emitted volumes lie above the threshold values of the E-PRTR or the concentration thresholds of the CLP Regulation. We define environmental incidents as all transport and plant incidents that have occurred at one of our sites worldwide in the current reporting period and have been entered into a central reporting platform by the HSE officers of the respective site. These environmental incidents are reviewed by a central expert in collaboration with site experts to determine potential emissions.

In the measurement of emissions from environmental incidents, we adhere to the corresponding international standards and guidelines. The OECD (Organisation for Economic Co-operation and Development) has published its Guiding Principles for Chemical Accident Prevention, Preparedness and Response, which contain globally valid guidelines to help authorities and industry prevent chemical incidents and mitigate the adverse effects of incidents. These guidelines comprise measures to prioritize prevention, preparedness and the response to chemical incidents, as well as to identify the associated hazards and risks. The method for determining emission volumes depends on the respective environmental incident. Whenever possible, we use direct measurement procedures (e.g. through detection methods for volatile organic compounds, particle counters or soil samples). However, we frequently rely on estimates (e.g. based on the composition of the emitted substance), particularly in the case of transport incidents.

In 2025, we recorded no environmental incidents at our plants that led to the emission of substances into the air, water and/or soil that are listed in the European Pollutant Release and Transfer Register and whose emitted volumes lay above the threshold values of the E-PRTR.

In connection with transport incidents, we recorded environmental incidents in 2025 that led to the emission of substances of concern and/or substances of very high concern according to ESRS into the soil, whose concentrations lay above the threshold values of the CLP Regulation. The reported emissions values are based on the conservative assumption that 10% of the total cargo volume remained in the environment despite proper decontamination of the accident sites.

A 4.2.3/1

Emissions due to environmental incidents of substances of concern (SoC) according to ESRS that are listed in Annex VI Part 3 of the CLP Regulation (22nd Adaptation to Technical Progress) and that are classified under one of the hazard classes or hazard categories listed in ESRS, and substances of very high concern (SVHC) according to ESRS that correspond to the criteria pursuant to Article 57 and that have been identified pursuant to Article 59 (1) of the REACH Regulation

	Class A[1]				Class B[1]				Total[2]			
metric tons	SoC 2024	of which SVHC 2024 (%)	SoC 2025	of which SVHC 2025 (%)	SoC 2024	of which SVHC 2024 (%)	SoC 2025	of which SVHC 2025 (%)	SoC 2024	of which SVHC 2024 (%)	SoC 2025	of which SVHC 2025 (%)
Quantity emitted to air	–	–	–	–	–	–	–	–	–	–	–	–
Quantity emitted to water	–	–	–	–	–	–	–	–	–	–	–	–
Quantity emitted to soil	–	–	0.01	–	0.33	–	1.84	0.02	0.33	–	1.84	0.02

[1] Figures adjusted for duplicate counts. Duplicate counts in the figures for Class A and Class B can occur where a substance can be assigned to more than one hazard class included within the respective class. For the definition of groups of hazard classes, please see the section "Substances of concern and of very high concern according to ESRS [E2-5]."
[2] Figures adjusted for duplicate counts. Duplicate counts can occur where a substance of one (or more) hazard class(es) can be assigned to both Class A and Class B.

Substances of concern and of very high concern according to ESRS [E2-5]

The quantities of substances of concern and substances of very high concern according to ESRS that are procured and sold as products or product components are based on a data model that combines data from the areas of environment, health and safety with transaction data from procurement and finance and augments it with external regulatory information (Regulation [EC] No. 1272/2008 [CLP Regulation] and Regulation [EC] No. 1907/2006 [REACH Regulation]). Classification as a substance of concern is dependent on whether the substance is listed in Annex VI Part 3 of the CLP Regulation (22nd Adaptation to Technical Progress) under one of the hazard classes or hazard categories listed in ESRS. Classification of a substance of very high concern is based on the list of substance candidates published by the European Chemicals Agency (ECHA) that correspond to the criteria pursuant to Article 57 and were identified pursuant to Article 59(1) of the REACH Regulation. On this basis, we have defined two groups of hazard classes that reflect the substances' hazard potential:

- **Class A (hazard classes that correspond to the SVHC properties):** Carcinogenicity cat. 1; germ cell mutagenicity cat. 1; reproductive toxicity cat. 1; endocrine disruption (human health); endocrine disruption (environment); persistent, mobile and toxic substances (PMTs); very persistent and very mobile substances (vPvMs); persistent, bioaccumulative and toxic substances (PBTs); very persistent and very bioaccumulative substances (vPvBs).
- **Class B (other hazard classes):** Carcinogenicity cat. 2; germ cell mutagenicity cat. 2; reproductive toxicity cat. 2; airway sensitization cat. 1; skin sensitization cat. 1; chronic aquatic toxicity cat. 1 through 4; hazardous to the ozone layer; specific target organ toxicity (repeated exposure) cat. 1 and 2 (STOT RE cat. 1 and 2), specific target organ toxicity (single exposure) cat. 1 and 2 (STOT SE cat. 1 and 2).

We report on substances of concern and of very high concern according to ESRS as indicated in the respective safety data sheets whose concentrations are above the concentration threshold values of the CLP Regulation. Substances of very high concern according to ESRS are a subgroup of substances of concern according to ESRS and are therefore included in the reported quantities of substances of concern according to ESRS. All internal data is extracted directly from our enterprise resource system. Medical devices from the area of radiology are not included in the current figures because of insufficient data.

The procured quantity of substances of concern and substances of very high concern according to ESRS regularly exceeds the quantities we sell as products or components of products. This is attributable in particular to our production processes (e.g. through chemical conversions).

A 4.2.3/2

Information on substances of concern (SoC) according to ESRS that are listed in Annex VI Part 3 of the CLP Regulation (22nd Adaptation to Technical Progress) and that are classified under one of the hazard classes or hazard categories listed in ESRS, and substances of very high concern (SVHC) according to ESRS that correspond to the criteria pursuant to Article 57 and that have been identified pursuant to Article 59 (1) of the REACH Regulation

	Class A[3]				Class B[3]				Total[4]			
thousand metric tons	SoC 2024[5]	of which SVHC 2024 (%)[5]	SoC 2025	of which SVHC 2025 (%)	SoC 2024[5]	of which SVHC 2024 (%)[5]	SoC 2025	of which SVHC 2025 (%)	SoC 2024[5]	of which SVHC 2024 (%)[5]	SoC 2025	of which SVHC 2025 (%)
In purchased materials[1]	131	23.28	132	18.43	469	1.05	497	0.88	497	6.34	521	4.97
In sold products[2]	15	0.39	14	0.51	263	0.07	269	0.07	263	0.09	269	0.10

[1] In this category, we report on the quantity of pure substances, mixtures or articles procured, the composition of which, according to the respective safety data sheets, partly or exclusively comprises substances of concern and/or substances of very high concern according to ESRS.
[2] In this category, we report on the quantity of our products sold, the composition of which, according to the respective safety data sheets, partly or exclusively comprises substances of concern and/or substances of very high concern according to ESRS.
[3] Figures adjusted for duplicate counts. Duplicate counts in the figures for Class A and Class B can occur where a substance can be assigned to more than one hazard class included within the respective class.
[4] Figures adjusted for duplicate counts. Duplicate counts can occur where a substance of one (or more) hazard class(es) can be assigned to both Class A and Class B.
[5] 2024 figures in Table A 4.2.3/2 restated (e.g. Total volume of SoCs in procured materials reported in 2024 in thousand metric tons: 321; e.g. Total volume of SoCs in products sold in 2024 in thousand metric tons: 23). For more information on the adjustments, please see the section “Disclosures in relation to specific circumstances [BP-2]” in Chapter A 4.1 General Information on the Sustainability Statement.

4.2.4 Water and Marine Resources

As water is an important resource in the areas of healthcare and agriculture, we have an intrinsic motivation to help address the water crisis. We therefore focus extensively on our impacts, risks and opportunities in the context of water management.

Management of impacts and risks related to water scarcity resulting from water consumption

As part of our double materiality assessment, we have identified a potential negative impact in connection with water availability. In this regard, the reduction in water availability due to water withdrawal and consumption for our production processes can possibly lead to water scarcity, in particular in regions subject to water stress.

Policies related to water scarcity resulting from water consumption [E3-1]

We alleviate our negative impact on water resources by promoting, throughout our value chain, efficient water management based on our water strategy and the related risk mitigation measures.

Our water management strategy to manage and mitigate water stress
Conservation of natural resources is an integral part of our commitment to sustainable development. Our Water Position therefore shows how we conserve water resources and improve water usage efficiency both within and outside the company. Specifically, we want to improve water management in our own operations, involve our suppliers, develop innovative solutions for our customers and support municipal projects.

To minimize our impacts in our own operations, we strive to apply strict standards worldwide. This commitment encompasses compliance with all international and local laws and the continuous improvement of water reuse, water recycling and wastewater treatment. We monitor local water consumption of our sites as well as the volumes and quality of our emissions around the world and would thereby like to ensure that water bodies are not polluted or endangered through wastewater.

In line with our Water Position, we regularly collaborate with suppliers to improve water use in the value chain. We also continuously drive irrigation efficiency forward in every aspect of our seed production and focus on improving water usage efficiency in agricultural practices. We want to promote our positive impact on our downstream value chain and therefore cooperate with farmers and business partners to offer innovative solutions for water-resilient agriculture. We also support projects designed to give our employees and communities access to clean water and sanitary facilities. Our Water Position also addresses the avoidance and reduction of water pollution through initiatives such as the development of measures to recover contrast agents.

Our Water Position applies to all of our own sites worldwide, including some sites in regions affected by water scarcity. To lessen the potential impacts of water scarcity, we advocate good water management, especially where the availability of water is limited. To do so, we reflect the interests of our stakeholders, for example by cooperating with regulatory authorities, nongovernmental organizations, the scientific community and the public and private sector. This integrative approach is aimed at ensuring that different perspectives and concerns are accounted for in our decision-making process in accordance with our efforts to promote transparent reporting and responsible water management practices.

Responsibility for implementing the principles of our Water Position lies with the Chief Sustainability Officer, supported by the Public Affairs, Sustainability & Safety Enabling Function in cooperation with the responsible employees in the countries and divisions at all of our sites. The Bayer Water Position can be viewed on our website.

Water management through our health, safety and environmental protection requirements
Our Health, Safety, Environment (HSE) Management and HSE Key Requirements Policy helps to mitigate the potential negative impacts of water consumption on natural freshwater reserves, ensure responsible water management and reduce the risk of water stress. The policy therefore deals with the following elements in particular:

- **Environmental protection control standards**: The policy requires that environmental protection standards be established and actions to protect natural freshwater reserves implemented. Examples include secondary retention systems for storage tanks, proper infrastructure maintenance and impermeable surfaces.
- **Retention and disposal**: The policy states that pollutants should be prevented from entering natural water bodies, thus protecting freshwater resources. This is achieved by, for example, establishing an adequate retention capacity for abnormal effluents, liquid spills and potentially contaminated water.
- **Wastewater management**: The documentation of all wastewater streams contributes to effective wastewater management and treatment, reduces the risk of water pollution and conserves freshwater resources.

For more on the Health, Safety, Environment (HSE) Management and HSE Key Requirements Policy, please see the section “Holistic policies for managing material sustainability matters [MDR-P]” in Chapter A 4.1 General Information on the Sustainability Statement.

Minimizing the risk of water contamination by ensuring process and plant safety
Our rules on process and plant safety are aimed at preventing hazardous releases and ensuring the safety of our plants, and thus the protection of the environment, including bodies of water adjacent to our sites. This supports responsible water management by reducing the risk of water contamination.

Thus, the conservation of natural freshwater reserves and the potential impacts of water consumption on local communities and ecosystems are taken into consideration, matching the interests of our stakeholders. For more information on our rules on process and plant safety, please see the section "Ensuring safety and environmental protection through process and plant safety" in Chapter A 4.2.3 Pollution.

Actions related to water scarcity resulting from water consumption [E3-2]
To meet the challenges of water scarcity as a result of high water consumption, we continuously assess and improve comprehensive water management systems for our own sites.

Establishment of a water management system for sites in water-scarce regions
To pursue the objectives of our water strategy, we are currently establishing water management systems at all relevant sites in regions affected by water scarcity. The establishment of water management systems at all relevant sites is scheduled for completion by 2030.

Relevant characteristics of water management are a balance between water consumption and availability, as well as the optimal conservation of water resources. Due to widely varying local situations, each water management system is designed individually on the basis of a detailed analysis that takes into account local circumstances and the relevant parameters of our water supply and disposal. We address identified risks with locally adapted countermeasures such as the establishment of alternative supply sources, the improvement of wastewater quality or wastewater recirculation. These activities are accompanied by management measures such as regular employee training in water management and participation in roundtables with regulatory authorities and residents. The scope of this measure encompasses our global activities and all departments within the organization.

Management of impacts and opportunities related to water availability through product and service innovations
Alongside our potential negative impact on water availability, we have also identified a positive impact related to our products and services in connection with more efficient water management. Our relevant product innovations include the development of more resilient seeds and varieties (e.g. early varieties, stress tolerance, improved resilience to flooding). Examples include Seminis™ Aryaman tomatoes, Deltapine™ cotton varieties and Arize™ hybrid rice. At the same time, we also promote digital enablement and good agronomic practices, as well as the use of partnerships, to advance water-efficient agriculture at scale.

Policies related to water availability through product and service innovations [E3-1]
As an innovation-driven company, we continuously strive to offer solutions, promote practices and foster partnerships that contribute to the resilience of agricultural systems. Because innovation activities are fundamentally integrated into our core strategy, we believe that there is no need to adopt separate policies dedicated specifically to driving forward water-related product and service innovations.

Actions related to water availability through product and service innovations [E3-2]

We continuously leverage our innovation potential to develop scientific solutions, promote sustainable farming practices and enter into partnerships to strengthen water resilience in agriculture, among other goals.

Promoting water-efficient cultivation systems

We promote the use of direct seeded rice (DSR) in agriculture. DSR is one of the most promising cultivation methods for enabling water resilience in rice production, which is traditionally very water-intensive. This technologically driven and less resource-intensive cultivation system has the potential to reduce water use in rice production by up to 40% and the associated greenhouse gas emissions by up to 45%. The adoption of DSR can also reduce the demand for manual labor by up to 50% and thus help alleviate the labor shortage in rural areas.

Our efforts to drive innovation for water resilience in agriculture are integrated into the global operations of our Crop Science Division. These are not one-off actions, but rather a process of continuous development.

Metrics and targets with respect to water resources

Through our metrics and voluntary targets, we want to show our progress in the context of managing water as a resource.

Targets for the efficient use of water in the value chain [E3-3]

In our Crop Science Division, we have set ourselves the target of supporting our smallholder customers in increasing water productivity by 25% by 2030 against a 2019 to 2021 average baseline through the transformation of rice cropping in the relevant regions where Bayer operates, starting in India. Our water target is currently focused on the DirectAcres Initiative, which aims to support farmers in successfully shifting from the traditional rice cultivation method (known as transplanted puddled rice, TPR) to direct seeded rice (DSR).

Our performance is measured using “water productivity” as a key performance indicator, which is defined as kilograms of crop yield per volume of water used (kg/m^3). This represents the ratio of area-weighted yield to area-weighted water use across the target rice-growing states in India. Crop yield and water use are normalized to the area of the sampled fields so that the differing contributions of individual fields/plots are taken into account. As a baseline, we use a three-year rolling average from 2019 to 2021, taking into account the specifics of agriculture such as seasonality and climatic variability. The baseline water productivity is 0.2547 kg/m^3.

Owing to the period of the rice season and the associated demands on data supply and processing, reporting on performance in this area is delayed by one year. Based on the data collected for the year 2024, the area-weighted water productivity increased by 1% against the 2019 to 2021 baseline. This improvement in water productivity is attributed to a reduction of 24% in water use per hectare and to an increase of 12% in the average yield per hectare in line with the transition from transplanted rice (TPR) to direct seeded rice (DSR). Our reporting accounts for changes in area-weighted water productivity across target states and the adoption ratio of DSR versus TPR. We follow a methodology that documents the target setting, scope, boundaries and quantification approach, including the determination of the comparative values and progress measurement. We use field data and satellite imagery/remote sensing data. A detailed description of our methodology is available on our website.

Alongside our target for the Crop Science Division, by 2030, our Pharmaceuticals and Consumer Health divisions aim to reduce water withdrawal by 20% compared to the base year 2024, weighted by the local water scarcity and our share of the region’s total withdrawal. This relative savings target applies to our global operations and promotes the sustainable use of resources, in line with Bayer’s Health, Safety, Environment (HSE) Management and HSE Key Requirements Policy.

Since water stress is a local issue and our activities only partially contribute to regional withdrawal, the reduction in water withdrawal is weighted based on two parameters: (1) local water stress at the withdrawal site and (2) our share of total regional withdrawal. For weighting, we use projections from the WRI Aqueduct Atlas for 2030 in the Business-as-Usual (BAU) scenario. The reduction in withdrawal and its weighting are thus based on conclusive scientific evidence, but were decided without direct involvement of external stakeholders. In 2025, the weighted water withdrawal was 192 m^3. This corresponds to a reduction of 10% compared to the base year 2024 at 214 m^3.

Water consumption [E3-4]

Data on water withdrawal and discharges at each environmentally relevant site is collected by local working groups according to local and global internal standards. At almost all sites, data is collected through direct measurement (e.g. through water meters or calibrated pumps). All sites with an annual energy consumption exceeding 1.5 terajoules and/or annual water withdrawal that is greater than or equal to 50 Tm^3 are regarded as environmentally relevant. The environmental data of other sites that are below the thresholds has no relevant influence on the overall environmental data.

This data is entered once a year by a dedicated HSE officer at each site into a central reporting platform that records the measured data for January through October and the estimated data for November and December. The estimate is based either on the prior-year data, where necessary adjusted to reflect special events in the current reporting period, or on extrapolated data from the current reporting period. The data is then reviewed and validated by a central team to ensure its accuracy and completeness.

Our total water consumption in 2025 was 21.35 million m^3 (2024: 21.01 million m^3). Our total water consumption is calculated as the difference between the volume of water withdrawn and the volume discharged.

Our water consumption in regions impacted by water risks according to ESRS, including regions with high water stress according to ESRS, was 5.36 million m^3 in 2025 (2024: 5.36 million m^3). We identify these regions using the data from the Aqueduct Water Risk Atlas 4.0 of the World Resources Institute (WRI). The evaluation covers all sites impacted by water risks (the score for the weighted aggregated water risk total based on the default weighing scheme indicator is ≥ 3) and all sites in regions with a high level of water stress (the score for the baseline water stress indicator is ≥ 0.4). The data is extracted for the exact geolocalization of every single site. If a site is operated on more than one land plot, the plot with the highest water stress or water risk at the beginning of the study was evaluated to ensure a conservative approach.

A 4.2.4/1

Total water consumption and water consumption in areas at water risk according to ESRS, including high water stress according to ESRS

million m^3	2024	2025
Total water consumption	21.01	21.35
of which in areas at water risk, including areas with high water stress	5.36	5.36

As we recycle water at many of our sites, our total water withdrawal of 51.61 million m^3 in 2025 (2024: 53.47 million m^3) is much lower than the volume of actually recycled and reused water in 2025, at 379.70 million m^3 (2024: 384.80 million m^3). This yields a mathematical recycling ratio of 736% in 2025 (2024: 719%). Recycling measures include the reuse of treated wastewater, closure of cooling cycles and recirculation of steam condensates as process water or to irrigate fields. Our production sites for crop protection products (Crop Science Division) account for the biggest share of water recycling. Water recycling is virtually impossible in seed production because water is mainly used to irrigate cropland. In pharmaceutical production (Pharmaceuticals and Consumer Health divisions), the water recycling rate is low due to strict legal requirements. In 2025, approximately 29.6% (2024: 29.9%) of all water discharged by us was cooling water that is heated and does not come into contact with products. It is returned to the water cycle without further treatment in line with the relevant official permits.

A 4.2.4/2

Water-related metrics by division

	Crop Science		Pharmaceuticals		Consumer Health		Other segments		Total	
million m^3	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**
Water withdrawal	43.80	42.75	6.28	6.10	1.66	1.56	1.74	1.20	53.47	51.61
Water discharge	23.83	22.31	5.78	5.52	1.24	1.28	1.60	1.14	32.46	30.25
Water consumption	19.96	20.43	0.50	0.58	0.42	0.28	0.13	0.06	21.01	21.35
Water recycling and reuse	384.75	379.66	0.03	0.03	0.02	0.01	0.004	0.002	384.80	379.70

Water intensity reflects our water consumption as a ratio of Group sales (please see the section “Bayer Group Consolidated Income Statements” in Chapter B Consolidated Financial Statements). Our water intensity in 2025 amounted to 468 m^3 per million euros of net sales (2024: 451m^3 per million euros). This was mainly attributable to water consumption at our Crop Science Division.

A 4.2.4/3

Water intensity

m^3/ € million	**2024**	**2025**
Water intensity	451	468

4.2.5 Biodiversity and Ecosystems

With our innovative technologies and services for agriculture, we strive to mitigate impacts on species diversity both within and outside agricultural lands, thereby fostering the conservation of biodiversity.

Strategy

For us, compliance with regulatory requirements and legal regulations is the top priority in our business activities related to biodiversity.

Transition plan and consideration of biodiversity and ecosystems in strategy and business model [E4-1]

Through the identification, evaluation and prioritization of the impacts, risks and opportunities of our business model along our value chain, we identified material matters related to biodiversity and ecosystems within the scope of our double materiality assessment. These are also related to the resilience of our strategy; an additional resilience analysis was therefore not conducted in 2025.

Material impacts, risks and opportunities and their interaction with strategy and business model [E4.SBM-3]

We operate in a heavily regulated environment that requires compliance with laws and regulatory requirements. In our double materiality assessment, we did not identify any material impacts on biodiversity, ecosystems and endangered species with regard to our sites’ normal operations.

Exceeding the legal safety limits when using our products as part of the downstream value chain can contribute to soil degradation and the reduction of flora and fauna biodiversity on agricultural land. This potentially negative impact was assigned to the land degradation sustainability matter. We strive to avoid negative environmental impacts as best as possible through our actions to manage impacts in connection with soil degradation and the reduction of biodiversity.

Management of impacts and risks related to soil degradation and the decline of biodiversity on land used for agriculture

A potential negative impact identified in our double materiality assessment is the potential contribution to the degradation of soils and the decline in flora and fauna species on land used for agriculture due to improper agricultural practices associated with our crop protection and seed products, particularly when statutory safety thresholds are exceeded in the use of our products in the downstream value chain.

Policies to reduce soil degradation and the decline in biodiversity on land used for agriculture [E4-2]

We strive to minimize potential negative impacts through a comprehensive set of policies, actions and targets. This includes our strategy of responsible product management.

Responsible product management through our Product Stewardship Commitment, Principles and Key Requirements Policy

To effectively reduce our impacts, we have specified our principles of responsible product management in our Product Stewardship Commitment, Principles and Key Requirements Policy. Our product stewardship commitment applies throughout the life cycle of our seeds (including genetically modified plant traits), biologics and crop protection products, and services in our portfolio. We regard our product stewardship as being able to maintain the availability of high-quality products, services and best practices to ensure compliance with the legal and regulatory requirements, facilitate trade, maximize product potentials and sustainability, and at the same time minimize risks to the health of people and animals, as well as to the environment.

These principles are oriented to product life cycles and therefore pertain to both our own operations and the downstream value chain. They cover the areas of research and development, production, packaging, storage and transport, marketing, brand development, intellectual property, sales and distribution, integrated crop protection and resistance management, responsible use, packaging management, discontinuation of product marketing and the disposal of unused supplies. The policy also addresses responsibility for the impacts of our products on the status of species and on the extent and condition of ecosystems, as well as the management of biodiversity and ecosystem-related impacts in conjunction with our products and agricultural practices, particularly in the following areas:

// **Research and development:** The goal is to develop products and services with improved efficacy, productivity and stringent safety profiles for people and the environment.
// **Responsible use:** We establish suitable programs to train and instruct our employees and customers in the responsible management of our products and services, taking into account the entire life cycle. This includes measures to protect the environment, sensitive crops and water sources, as well as to minimize exposure and the risk to people and animals. Through targeted training courses, we show farmers, seed treatment professionals, distributors and other users how to use our products both effectively and safely to maintain healthy plants and thereby increase the yield and quality of their harvested goods. Our objective is to continuously increase the outreach of our training activities through more widespread use of digital media. We publish the number of external training contacts (e.g. with farmers, field workers, distributors, retailers and other agricultural industry stakeholders) worldwide every year.

Also regarding reputational risks, our principles of responsible product management help to further reduce potential environmental impacts through improved product properties and responsible application practices.

Responsibility for product stewardship for seeds, crop protection products and biologics lies with the Research and Development function in the Crop Science Division, which reports directly to the Crop Science Leadership Team, the highest decision-making body within the division. The Crop Science Leadership Team is led by the head of the Crop Science Division, whose position makes him a member of the Board of Management of Bayer AG. Our Product Stewardship Commitment, Principles and Key Requirements Policy is designed to help our employees ensure the responsible and ethical development, handling and use of our products and services. The policy serves as the basis for safeguarding our business operations through the implementation of product stewardship actions,

supplemented by quality management and compliance rules along the product life cycles. At the same time, this also strengthens partnerships and the public dialogue with our most important stakeholders to create lasting trust in our products and services, maintain our economic foundation over the long term and ultimately improve public trust. The policy is publicly available on our website.

We strive to sustainably manage our products and services based on several internationally acknowledged standards and compliance with legal and regulatory requirements. In addition to the International Code of Conduct on Pesticide Management issued by the Food and Agriculture Organization (FAO) of the United Nations and the World Health Organization (WHO), as well as the Universal Declaration of Human Rights, we undertake to comply with further voluntary commitments along the value chain. These include the Responsible Care initiative of the International Council of Chemical Associations (ICCA), the Plant Biotechnology Code of Conduct of CropLife International and the Excellence Through Stewardship program of the Global Stewardship Group. Together with various industry initiatives and regulatory framework conditions, these guidelines serve as the basis of our product stewardship. We also adhere to the precautionary approach as described in Principle 15 of the Rio Declaration of the United Nations and Communication 2000/1 of the European Commission.

We promote a concept of regenerative agriculture that is defined as an outcome-driven cropping system aimed at strengthening the resilience of agricultural production. This concept is based on two interconnected objectives: helping farmers maintain or increase yields with reduced application of agricultural inputs for improved social and economic wellbeing outcomes; and regeneration, which prioritizes a positive impact on nature. This second aspect includes efforts such as striving to improve soil health, preserving and restoring biodiversity in areas devoted to agriculture, conserving water resources, and reducing field-level greenhouse gas emissions and increasing carbon sequestration.

Actions for reducing soil degradation and the decline in biodiversity on land used for agriculture [E4-3]

Our core actions to reduce the potential contribution to soil degradation and the decline in the biodiversity of flora and fauna on agricultural land encompass the processes for the research, development and approval of our agricultural products, the safe use of our products and the management of incidents. Offsets for biodiversity that are specifically aligned with the diversity of ecosystems, species and genes are not currently part of our actions.

Research and development, product registration

Our actions start with current research and development of seeds & traits and crop protection products. In our Crop Science Division, we conduct research and development in the areas of seeds and plant breeding, biotechnology and gene editing, crop protection, biological products, as well as digital solutions and data analysis. We want to help make farming more resilient, productive and environmentally compatible through innovative seed and crop protection solutions, biological products, digital tools and targeted measures to support habitats and pollinators. We focus on cultivation systems that improve soil health, capture carbon in the soil and prevent erosion. We also want to promote practices such as the planting of cover crops, crop rotation and no-till, as well as developing seeds and crop protection products that maintain or even improve soil functionality. Biological products such as biostimulants can enhance the nutrient uptake of plants, thereby improving the efficiency of synthetic fertilizers.

We pursue a comprehensive approach to reduce soil degradation and the decline in biodiversity. This is expected to significantly improve soil health, increase carbon capture in the soil and effectively protect against erosion. Such research is conducted in an interdisciplinary fashion in close collaboration with international partners to develop long-term, scalable solutions. The close interlinking of research and practice ensures that the developed solutions can be directly applied in farming.

In doing so, our crop protection products are subject to extremely strict requirements with specific and extensive approval and registration processes, and therefore cannot be sold on the market for use by farmers until after they have been approved by a regulatory authority or granted official registration. As a condition of their approval, the prescribed efficacy and safety of the individual products must always be demonstrated as proven. A key element in the registration of crop protection products is the compilation of extensive studies during the development process to safeguard human and environmental health. The purpose of these efficacy and exposure studies is to assess the potential impacts on nontarget organisms. Critical substance-specific parameters such as the persistence, mobility and bioaccumulation of a molecule and metabolites are therefore crucial for the decision on whether to develop a new product. We continuously research and develop new products and compile corresponding studies. A granted approval only applies for a particular product with the formulation registered in the marketing authorization. Changes in the product composition (such as new formulations for crop protection products) require an additional authorization or registration. If there is no dedicated crop protection legislation in a given country, we have made a voluntary commitment to market only those crop protection products whose active ingredients are registered in at least one OECD country or a country with a mature and risk-based regulatory framework.

Safe use of our products

To ensure their safe use, crop protection products must be labeled so that agricultural users are aware of their properties and the specific provisions. In the labeling of our products, we comply with the FAO Guidance on Good Labelling Practices for Pesticides and the Globally Harmonized System (GHS) for the classification and labeling of chemicals, and additionally satisfy local classification and labeling requirements. In countries where no separate labeling requirements are in place, our crop protection products are classified and labeled according to the FAO guidance and the GHS. In countries in which the local regulations deviate from the FAO guidance and the GHS, we nonetheless use these as a reference to advocate for improvements in the labeling of crop protection products whenever possible. The labeling actions take place continuously under application of the current rules.

Through targeted training measures, we show farmers (including smallholder farmers), seed treatment experts, distributors, field workers and other agricultural players how to safely and effectively use our products to keep crops healthy and thus safeguard and increase both the yield and quality of their harvested crops. Our objective is to continuously increase the outreach of our training activities through more widespread use of digital media. The training measures cover numerous aspects including the safe handling of our products during their use, transport, storage and disposal, and the correct use of protective equipment and clothing, as well as first aid measures in the event of an emergency. The training topics can be adapted to specific target groups, the cultivation of a certain crop, or a specific product, depending on local needs. Our training materials are available in various formats – from on-site presentations to brochures, videos, posters, manuals and live chats. In addition to special training measures for farmers and those who use crop protection products, we combine training activities with events such as product launches or field days to reach a large number of farmers and distributors. In 2025, we introduced a hybrid training model that combines the accessibility of virtual formats with in-person events wherever possible and thus ensures both the flexibility and effectiveness of our training approach. We have focused many of our training activities on countries in which statutory requirements pertaining to farmer certification in the safe use of crop protection products are limited or not yet in place. Most of our training measures have been carried out so far in Asia, followed by Africa and Latin America. The training measures take place continuously under application of the current rules.

Through our service program BayG.A.P., we help farmers – and especially smallholder farmers – to introduce more sustainable agricultural practices and obtain certifications for improved market access. The initiative was launched by Bayer in numerous countries in 2015 and reaches several thousand farmers annually. Through training measures, agricultural consultation and support in obtaining certifications, BayG.A.P. promotes the safe and responsible use of crop protection products, which can help to reduce environmental risks and impacts on soil erosion and biodiversity. We make use of the results from the Farmer Voice survey, among other information, to integrate local knowledge when further developing our training measures for biodiversity and ecosystems. The surveys conducted in 2023 and 2024 collected data on the motivation, perceptions and perspectives of more than 2,000 farmers in eight countries on various continents (Australia, Brazil, China, Germany, India, Kenya, Ukraine and the United States). The survey analyzes farmers' current challenges and sheds light on the practices they apply to conserve nature and biodiversity, as well as their expectations for the future. For example, the survey confirmed that farmers see added value in implementing regenerative farming – an insight that helps us further develop our training measures.

Incident management

We provide our customers with comprehensive and transparent information about our products and services and their proper use. Users of our products can contact us using various communication channels to voice questions or complaints, as well as to report incidents that could also be related to soil erosion and biodiversity. These channels include direct contact with our sales staff and hotline numbers printed on our product packaging. We follow up every incident relating to our crop protection and seed products reported anywhere in the world and manage the incidents with the aid of a dedicated incident management system and the CAIRnew software, a solution for reporting, administering, documenting and analyzing incidents, grievances and product recalls. Our incident management system and continuous product use screenings form the key reference points when it comes to monitoring the safety of our products and to identifying necessary improvements. In general, steps to mitigate risks can vary from increased training efforts, change of formulation, revised application recommendations and use limitations, to product withdrawal. This corresponds, for example, with the requirements of the International Code of Conduct on Pesticide Management of the Food and Agriculture Organization (FAO) of the United Nations and the World Health Organization (WHO).

Management of reputational risks on account of the negative public perception of our products and our business

Although crop protection products are stringently regulated products that must have high efficacy and show no harmful impact on human health and no unacceptable impacts on the environment, we have identified reputational risks resulting from the societal perception of the impacts of crop protection products on the environment. We recognize this as a risk and have implemented policies and actions to align with societal expectations regarding biodiversity and mitigate these risks.

Policies related to reputational risks [E4-2]

Our policies related to reputational risks attributable to societal perceptions of the impacts of our products in the field include intensive dialogue with our stakeholders.

Meeting societal expectations through our Bayer Societal Engagement principles

Additionally to our Code of Conduct, we have introduced the Bayer Societal Engagement (BASE) principles to ensure that we meet the expectations society has of our company and to create value for all of our stakeholders. These principles are set out in a policy that establishes guidelines worldwide for interaction with stakeholders. To strengthen trust in our interactions with our customers, the consumers of our products, as well as the media, legislators, regulators, civil society organizations and our stockholders, we provide transparent and scientifically sound information on the benefits and risks of our products, while also monitoring the quality and safety of our products in the market. This also includes biodiversity aspects.

The policy pertains, among other aspects, to the approach to societal perceptions related to pollution (including biodiversity) and is publicly accessible on our website. Responsibility for the implementation of this policy lies with the Public Affairs, Sustainability & Safety Enabling Function in cooperation with the senior management in the respective countries and divisions at all Bayer sites.

Serving as a guiding framework, the principles apply globally to our own operations and describe our actions in eight categories:

// Our engagement with society
// Our guiding principles and core values
// How we drive innovation
// How we act in the workplace
// How we conduct our business
// How we interact with our customers, patients and the consumers of our products
// How we interact with media, legislators, regulators and civil society organizations
// How we interact with shareholders

By applying these principles, we endeavor to live up to our social responsibility as a transparent company that acts sustainably and to be recognized for our contribution to progress in healthcare and agriculture. At the same time, we want to listen, understand, take concerns seriously and engage in respectful dialogue, especially when difficult or uncomfortable topics are involved.

Actions related to reputational risks [E4-3]

One of our core measures to promote intensive dialogue with our stakeholders is our transparency initiative, which provides information on the safety of our products. Offsets for biodiversity that are specifically aligned with the diversity of ecosystems, species and genes are not currently part of our actions.

Our transparency initiatives at Crop Science to inform about product safety

Our transparency platform provides access to the results of our studies on the safety of our crop protection products, safety reports for our active ingredients, and key regulatory submission documents for our genetically modified crops. This initiative complements our regular and open science-based conversations with numerous stakeholders, our annual sustainability reporting, as well as our active work in committees, specialist workshops and international initiatives and collaborations. We additionally share our product safety standards to shed light on how we determine safety measures for the safe use of our products and have created two virtual visitor platforms. Transparency initiatives help to strengthen trust in product safety by improving access to information, promoting strict safety assessments and intensifying dialogue with stakeholders. This is an ongoing and open-ended measure.

Since 2018, we have continuously disclosed information from various areas of our work in crop protection, genetically modified crops and plant breeding on our transparency platform. In 2025, we launched a second virtual platform – OpenLabs 360° Genetically Modified Crop – alongside the virtual visitor platform OpenLabs 360° Crop Protection, which has already been online since 2023. This allows our stakeholders to observe how we conduct safety studies on genetically modified crops.

Managing our positive impact by helping farmers to achieve higher harvest yields while reducing environmental impacts

Demand for agricultural products has increased massively over the past decades and is expected to rise further in the coming decades. Among the primary reasons for the increase in demand are global population growth coupled with increased life expectancy, changing consumption habits by many people worldwide (particularly increasing consumption of meat as a result of greater affluence), and corresponding heightened demand for animal feed and renewable raw materials for various applications (such as textiles or alternatives to oil-based products). At the same time, climate change harbors the risk that land could occasionally no longer be available for agricultural production in the future. All of this creates the risk that land currently not used for farming could be used for such a purpose in the future (land-use change).

Through our double materiality assessment, we have therefore identified a potential positive impact related to reducing the pressure of additional land-use change by empowering farmers to increase their yields while minimizing environmental impacts.

Policies related to helping farmers achieve higher harvest yields while reducing environmental impacts [E4-2]

The agricultural challenges vary depending on the region and crop under cultivation when it comes to the options for increasing yields and reducing environmental impacts. Through our research and development, we want to further promote our potential positive impacts in this connection and more intensively help to prevent further land-use change through higher farming productivity with the help of our products. The development of innovative seeds, traits, crop protection products and digital solutions is a key element of our business model. As the potentially positive impacts lie in our R&D-related actions and the properties of our products, we do not report on any further specific policies in this connection.

Actions related to helping farmers achieve higher harvest yields while reducing environmental impacts [E4-3]

We undertake various actions to help farmers achieve higher crop yields while reducing environmental impacts. Offsets for biodiversity that are specifically aligned with the diversity of ecosystems, species and genes are not currently part of our actions.

Plant breeding

Plant breeding has always been crucial to increasing agricultural yields. That is why we operate in in a highly competitive environment and use modern breeding methods to continuously research and develop new seed varieties (including hybrid seed) that enable farmers to achieve rising yields on existing farmland and are adapted to the respective surroundings. The possibilities for increasing the yields of seed varieties are determined through a combination of scientific studies, field trials and peer review publications. These activities are integral to our global research and development pipeline and our breeding programs. As plant breeding builds on the crops' natural growth characteristics, breeding processes are lengthy and take many years. They therefore run indefinitely as part of our business model.

Preceon™ Smart Corn System

One example of the particular potential of innovative plant breeding is our Preceon™ Smart Corn System, which we plan to offer in various markets in the future. The breeding success of the Preceon™ Smart Corn System is evident in a short-stature corn variety, combined with targeted cultivation recommendations and digital support tools.

The corn hybrids developed with the help of modern breeding do not grow as tall as conventional corn varieties and are therefore more resilient to extreme weather conditions such as strong winds or heavy rainfall. The short-stature plants exhibit a lower risk of root and stalk lodging (bending or breaking).

More than 12,000 hectares were cultivated on over 350 farms in the United States and Europe in 2023 for the first more broadly based Preceon™ trials. Some 35,000 hectares were planted in the United States in 2025. In 2026, we expect up to 81,000 hectares to be planted in the United States and up to 32,000 hectares to be planted in Europe, with plans for both silage and grain maize production.

Precision farming technologies: optimizing agricultural inputs
We offer a digital agricultural platform called FieldView™ that helps farmers make data-driven decisions and thus optimize their yields. The FieldView™ platform enables farmers to collect, save and visualize field data in real time and integrates information from devices, weather stations and satellite images. Fertilizer and crop protection products can be deployed in a targeted and resource-conserving way by analyzing soil moisture, nutrient content and weather conditions. This helps reduce production costs and the environmental impact.

FieldView™ provides continuous digital support during the entire vegetation period, from sowing through nutrient management to yield optimization. The platform is currently available and actively used in the United States, Brazil and the Europe/Middle East/Africa region. FieldView™ therefore contributes to precision agriculture and enables yield maximization coupled with optimized resource deployment on existing farmland so that, for example, fertilizer, water and crop protection products can be applied in a targeted way and as needed. Predictive analyses enable the sowing rate and hybrid selection to be adapted to the respective field conditions, thus further increasing yield efficiency. Continuous monitoring of plant growth enables early identification of problems and targeted actions.

Another example of an action to help farmers achieve higher harvest yields while reducing environmental impacts in the area of fruit and vegetable growing is our Root2Success program, which combines seeds, biological and chemical crop protection products and digital tools that are precisely tailored to local soil conditions, the climate and crop needs. The program provides access to training courses, resources and best practices, and promotes dialogue between farmers and experts. With our expertise in crop protection and seed technology, we accompany the implementation of sustainable cultivation methods. The program was launched in 2016 and will run indefinitely. It is available worldwide and focuses particularly on the cultivation of bananas, onions, potatoes and tomatoes. The irrigation systems that are used are one example of best practices communicated through the Root2Success program: inputs such as fertilizers, nematicides and fungicides can be precisely administered to the soil through drip irrigation systems. This allows water consumption, surface run-off and input losses to be reduced and the nutrient uptake efficiency of the plants to be increased.

Supporting access to deforestation- and conversion-free markets
We support Latin American farmers with our PRO Carbono program. PRO Carbono offers practical instructions for implementing sustainable cultivation methods such as direct seed, as well as cover crop cultivation and the conservation of natural vegetation. Participation is conditional on the fulfillment of certain requirements – including social and ecological compliance – and use of our digital platform FieldView™. The participating farmers receive access to soil samples and analyses, as well as technical advisors and professional agronomists. The objective of the program is to promote sustainable farming practices and improve carbon capture in the soil. By applying improved agricultural practices, farmers can generate vouchers (certificates) for carbon captured in the soil and thus access additional income sources. In addition, the PRO Carbono Commodities Initiative enables farmers to access deforestation- and conversion-free (DCF) markets by making available technical support, training measures and verification systems with which compliance with DCF requirements can be certified. By participating in the PRO Carbono Commodities Initiative, farmers can gain access to premium markets and supply chains that demand DCF products and must meet requirements such as the EU deforestation regulation and corporate sustainability goals. Our PRO Carbono program enables both an increase in carbon capture and verification that farmers are producing on farmland without recent deforestation and land-use change. With this comprehensive support system, PRO Carbono helps farmers to transition to sustainable production models, conserve natural ecosystems and ensure their own competitiveness. The PRO Carbono program was introduced in Brazil in 2020 and Argentina in 2021. The program was presented in 2024 as a case study in the Nature-Based Solution Blueprint of the World Business Council for Sustainable Development (WBCSD).

Metrics and targets related to biodiversity and ecosystems

With our targets and metrics, we show our progress related to the material impacts in the area of biodiversity and ecosystems. Our target of reducing the environmental impact of our crop protection products currently pertains to reducing their potential impacts on aquatic nontarget organisms on and near farmland.

Targets related to biodiversity and ecosystems [E4-4]

We strive to enable farmers to produce more while reducing agriculture's impact on the planet. According to the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), the decline in biodiversity is primarily attributable to land-use change, resource exploitation, climate change, pollution and invasive species. Crop protection, next to fertilizers and breeding advancements, has enabled humanity to meet a constantly growing demand for food and animal feed, as well as raw materials for the energy and textile sectors while minimizing land usage for these purposes. This represents a vital step in reducing the necessity of further agricultural land-use change.

Continuous transparency regarding agricultural innovations

We have not currently formulated any targets directly related to the reputation risk identified in the double materiality assessment arising from the negative public perception of our products and our business. We also have not currently defined any targets directly related to the positive impact associated with the reduction in the pressure of additional land-use change. In both cases, we are unable to establish clear targets due to various factors that are not entirely in our control. We nevertheless want to further promote our positive impacts through our own actions and also strengthen society's trust in our products, for example by making the scientific fundamentals and approaches behind them more accessible and comprehensible. This includes publishing our research as well as safety information pertaining to our future agricultural innovations.

Reducing the environmental impact of our crop protection products

The prerequisite for placing crop protection products on the market is clear proof of efficacy, while at the same time ensuring no harmful impacts on human health and no unacceptable impacts on the environment. Crop protection products are therefore highly regulated by governmental authorities. Through our research and development, we consistently seek to offer crop protection products that have the same or better benefits for farmers, while having less impact on the environment. This contributes to "minimization" as regards the mitigation hierarchy policy according to ESRS. This objective does not include biodiversity offset measures.

Our quantitative target of reducing environmental impacts in the application of our crop protection products in the downstream value chain focuses on products that have already been approved. Such products therefore meet the regulatory requirements. The quantitative goal is currently restricted to reducing the potential impacts of our products on so-called aquatic nontarget organisms on and near land used for farming. This current restriction is due to the scope of the external scientific models we use. According to IPBES, land-use change is by far the biggest direct driver of terrestrial biodiversity decline. Pollution also plays a role here, albeit to a lesser extent. This includes not only fertilizer, industrial chemicals and other substances, but also crop protection products. The target focuses on this negative contribution.

By 2030, we want to reduce the treated-area-weighted environmental impact per hectare of Bayer's global crop protection portfolio by 30%. We measure target attainment based on the average value over the past five years. The average treated-area-weighted environmental impact per hectare during the period 2014 to 2018 serves as the baseline for our target. The absolute value of the baseline is around 246 (treated-area-weighted environmental impact per hectare). The term selected here "Environmental impact (EI)" is equivalent to the USEtox® characteristic factor of the potentially affected fractions (PAF) of species. The baseline and performance tracking are calculated as the ratio of the cumulative environmental impact and the total treated area. The calculation formula is published on our website in the CP EIR methodology report.

We established this target based on the planetary boundaries concept and the UN Sustainable Development Goals. One of the exceeded planetary boundaries comprises novel substances, which include industrial chemicals and crop protection products. To efficiently address this, we are committed to the goal of reducing the environmental impacts of our crop protection products. Our focus lies on assessing the potential environmental impact related to the application of our crop protection products on fields. It currently is not possible to quantify the planetary boundary for novel substances.

The target is in alignment with the key commitments of the EU Biodiversity Strategy for 2030, as well as with Target 7 of the Kunming-Montreal Global Biodiversity Framework. Our environmental impact reduction target relates to our global crop protection portfolio applied on agricultural land as part of our downstream value chain activities.

By using the Crop Protection Environmental Impact Reduction (CP EIR) methodology, we apply a robust, scientifically sound tool to enable a comparison of the relative environmental impact of different crop protection products on a farm. Moreover, this enables us to choose and develop products that have less environmental impact while enabling farmers to achieve the desired results.

We were the first company in the agricultural industry to annually assess the potential global environmental impact of our crop protection portfolio with the help of externally developed consensus models.

// PestLCI has been developed and established by the Technical University of Denmark (DTU) in cooperation with other institutes and organizations since 2006. This model estimates how much of an active ingredient enters the adjacent environment following application of a crop protection product in the field.
// USEtox® has been developed under the auspices of UNEP-SETAC in cooperation with various universities and institutions since 2008. This model determines the concentration of crop protection products in the immediate vicinity and assesses their potential impact on aquatic ecosystems (defined as the potential impact on nontarget aquatic organisms). USEtox® is also recommended by the European Commission as a model for the analysis of a product's life cycle and environmental footprint.

As the science of environmental impact assessment is continually evolving, we are working with a scientific consortium developing these models. We also collaborate with further experts in the field to be able to expand the scope of the current models. Currently, the models are limited to potential impact on aquatic ecosystems. These models and the underlying methodology are publicly available. In the future, we plan to expand the calculations to soil organisms and pollinators as soon as these model expansions have been published by the scientific consortium.

The following stakeholders were surveyed through an external agency about their perception of our targets and the associated measurement parameters and actions: the Foundation for Research on Biodiversity, the National Institute of Agricultural Research (INRA), the University of Southern Denmark and the Agricultural Research Centre for International Development (CIRAD). Our Supervisory Board was informed in 2025 about the current status of the CP EIR target.

Impact metrics related to biodiversity and ecosystems change: reducing the environmental impact of our crop protection products [E4-5]

Our CP EIR assessment compares the impacts of crop protection products. The calculation results in a numerical Environmental Impact Score per application scenario. The score depends mainly on the environmental profile of the active ingredient applied in the field, the amount applied and other factors influencing emissions into the environment, such as application method and timing.

According to available data, we reduced the treated-area-weighted environmental impact per hectare of our global crop protection portfolio between 2020 and 2024 by approximately 14% against the 2014-2018 baseline. This reduction corresponds to our assumptions. We review the progress annually as part of the planning process at Crop Science. This reduction is mainly due to the continuous transformation of our crop protection portfolio.

Included in our indicator are all Bayer crop protection products that can be characterized by PestLCI and USEtox®, are applied in the field worldwide and are recorded in the AgroWin system. Data is collected by external data suppliers for a single growing season. The previous year's data normally is not available until the fall of the following year due to the different dates for data collection in different regions and to the processing of the data, which means that the performance reporting is delayed by one year.

To ensure the transparency and credibility of the baseline, performance tracking and CP EIR calculation, only third-party data, including substance characteristic data, is used for the models. The crop protection application data in the AgroWin system mainly originates from external data providers. A part of this data is based on our internal estimates. The CP EIR assessment does not account for the environmental impact of other cultivation methods applied within farming and integrated crop management, such as plowing, seed bed preparation, fertilizing or harvesting.

We have provided an extensive inventory of detailed historic market data on crop protection applications globally to the Technical University of Denmark (DTU). DTU combined the crop protection inventory data with PestLCI and USEtox® to calculate a global crop protection impact assessment. An external panel of experts conducted an independent assessment on how Bayer and DTU apply the models to assess the environmental impacts of crop protection products, and how we measure performance in relation to our own target attainment.

4.2.6 Circular Economy

We understand the importance of waste management as part of a circular economy. Our efforts are directed at reducing waste and emissions, promoting recycling and minimizing environmental exposure.

Management of impacts and risks related to waste

As part of our double materiality assessment, we have identified a material negative impact for our upstream value chain and own operations due to the manufacture of products that could lead to the generation of nonrecyclable waste that must be disposed of and can contribute to the scarcity of resources.

Policies related to waste [E5-1]

To manage our waste-related impacts, we have established fundamental requirements in our own operations and those of our partners in the value chain.

Promoting waste management through the Health, Safety, Environment (HSE) Management and HSE Key Requirements Policy

Our Health, Safety, Environment (HSE) Management and HSE Key Requirements Policy describes our approach to dealing with waste-related impacts by taking into account comprehensive waste management practices. The policy addresses the shift away from the use of new resources by giving precedence to waste avoidance, promoting recycling wherever possible, and ensuring the safe and environmentally compatible disposal of unavoidable waste, which in turn increases the relative use of recycled resources as a whole.

According to our policy, waste generation is to be avoided wherever possible. The policy deals with the waste hierarchy, which establishes an order of priority for the management and disposal of waste, including the recycling and reuse of materials. The policy does not explicitly deal with the subjects of sustainable procurement and the use of renewable resources. For more information on our Health, Safety, Environment (HSE) Management and HSE Key Requirements Policy, please see the section "Holistic policies for managing material sustainability matters [MDR-P]" in Chapter A 4.1 General Information on the Sustainability Statement.

Compliance, sustainability and safety through our Waste Management Policy
Waste management is a key environmental factor for all our activities. For this reason, our Waste Management Policy establishes further guidelines and proven processes geared toward achieving a standardized approach for waste management in all our operations, including:

// **Ensuring compliance** with local regulations, international conventions (such as the Basel Convention) and our internal targets and expectations regarding sustainability
// **Establishing preferred Bayer minimum standards** to achieve globally standardized waste management practices, which is especially important if the local legal requirements are less stringent or explicit
// **Providing guidelines** for waste hazard classification and risk management
// **Cultivating a waste-hierarchy-based approach** for evaluating and selecting waste management methods for our waste
// **Describing our preferred standards** for providers of waste services

Professional management of risks to health, safety and the environment is the key to avoiding unjustifiable risks that can lead to serious personal injury and environmental damage. As the reduction of health, safety and environmental risks is heavily regulated in many countries, adequate health, safety and environmental risk management ensures compliance with legal regulations, prevents operational disruptions and protects our reputation.

Implementation of this policy is ensured by local site and plant management within the scope of our country organizations. It is primarily addressed to our employees involved in waste management, and therefore is only accessible internally. The policy covers the management of operational waste from its generation to its final disposal and ensures compliance with local laws and international agreements. Wherever applicable local regulations or laws go beyond the standards of the policy, the legal requirements take precedence. The policy applies worldwide to site management, health, safety and environment functions and all responsible parties. Exceptions include radioactive waste, which must be disposed of according to special rules, and wastewater destined for treatment plants. Compliance with the policy is ensured through HSE audits. The Basel Convention and the EU reference documents for the best available technologies (2010/75/EU) were taken into account in the implementation of this policy.

Preserving resources through the Bayer Supplier Code of Conduct
The Bayer Supplier Code of Conduct deals with the conservation and use of natural resources and highlights the preservation and protection of natural resources such as energy, water and raw materials. It addresses our impact on resource depletion due to the manufacture of products in our upstream value chain and emphasizes the importance of preventing resource depletion through the reinforcement of environmentally responsible and resource-efficient practices.

According to the Bayer Supplier Code of Conduct, suppliers shall prevent the exploitation, destruction or neglect of natural resources. Suppliers shall implement management systems to identify and mitigate environmental impacts in their operations and along their value chains. In addition, suppliers shall ensure the continuous performance of their environmental management system, as well as to encourage and apply circular economy practices. Suppliers shall make all necessary efforts to ensure the safe and legally compliant handling, storage, transportation, reuse, recycling and disposal of all types of solid and liquid wastes. For more information on the Bayer Supplier Code of Conduct, please see the section "Holistic policies for managing material sustainability matters [MDR-P]" in Chapter A 4.1 General Information on the Sustainability Statement.

Actions related to waste [E5-2]

Our actions related to waste pertain particularly to effective waste management and the conscious handling of contrast agents.

Management of waste-related impacts by our waste management

We pursue a comprehensive approach to the management of waste-related impacts in accordance with our Health, Safety, Environment (HSE) Management and HSE Key Requirements Policy, our Waste Management Policy and the Bayer Supplier Code of Conduct. Our operational actions include:

Inventory management:

// Keeping a current inventory of all waste streams, including detailed information about the name, description, source, volume, composition, hazard classification, and final treatment and disposal of each type of waste

Audits:

// Implementing a global internal HSE audit program based on the international ISO 19011 standard
// Assessing suppliers' sustainability performance with regard to implementing the Bayer Supplier Code of Conduct. Suppliers are assessed either on site through an audit conducted by independent auditors or using an online assessment by EcoVadis (an external provider of sustainability assessments). We also conduct supplier audits using PSCI and TfS audit approaches, as well as using internal audit protocols. Results are internally analyzed and, if necessary, corrective actions are proposed by the supplier, the implementation of which we monitor in order to improve the supplier's sustainability performance.

Waste management and environmental protection:

// Separating waste types, as appropriate, and not mixing incompatible wastes; identifying nonhazardous waste and keeping it separate from hazardous waste to avoid unnecessary generation of hazardous waste through mixing and to promote nonhazardous waste recycling
// Treating or disposing of unavoidable waste/emissions in a safe and environmentally compatible way
// Developing and implementing plans for preventing, monitoring and dealing with contamination incidents that are commensurate with the risk and the volume of materials handled on site
// Selecting the final treatment of waste, taking into consideration the waste hierarchy by considering landfilling as the least desirable method and giving preference to energy recovery through waste incineration where feasible
// Establishing and pursuing site-based environmental targets and programs to reduce the environmental burden, with progress being monitored, reported and documented

Our most important measures are implemented worldwide at our sites to ensure standardized waste management. As these actions are continuous activities, they are integrated into our ongoing operations and not implemented according to a fixed schedule. Every production site has its own HSE officers who are responsible for safety, prevention and causal analysis, including allocation of the necessary budget. Sustainability assessments are required for strategically important suppliers and those identified as having a high sustainability risk. The frequency of audit intervals is determined based on suppliers' performance.

Global implementation of waste management measures

In accordance with our Waste Management Policy, our globally implemented measures encompass detailed waste management plans at every site, continuous risk assessments, the involvement of the employees and robust infrastructure management to effectively reduce environmental impacts. Each site-specific plan comprises a description of the waste management process according to a waste hierarchy, an up-to-date waste inventory, compliance with operating permits and legal requirements, and compliance with our internal standards, as well as site-specific targets and initiatives to improve waste management practices. As these actions are continuous activities, they are integrated into our ongoing operations and not implemented according to a fixed schedule. To ensure implementation, every production site has its own HSE officers whose responsibilities include the allocation of the necessary budget.

Sustainable and conscious handling of contrast agent residues
In connection with the avoidance of resource depletion and fostering of recycling, we have implemented the “re:contrast” initiative. The proper disposal of contrast agent residues protects the environment and conserves natural resources. Through our re:contrast initiative, we support our customers by collecting contrast agent residues from their medical facilities and recovering iodine and gadolinium from the residues for future use. As part of the re:contrast program, we take back product residues of our iodinated contrast agent Ultravist™ and our gadolinium-containing contrast agent Gadovist™ from our customers. By returning iodine and gadolinium to the value chains, we can help reduce the need to extract new iodine and gadolinium from the ecosystems. Recovered iodine-based contrast agents are sent back to our production facility, where the iodine compound is removed and returned to the supplier. Recovered gadolinium-based contrast agents are also sent back to our production facility, and from there to an external partner that recovers and reuses the obtained gadolinium. The initiative is a continuous activity that is not implemented according to a fixed schedule. We offer the re:contrast initiative to our customers in various European countries. Further details of the initiative are available on the website of Bayer Vital in Germany.

Metrics and targets associated with the circular economy
We strive to continuously improve our waste management, and our key data in the area of waste reflects our resource outflows.

Targets related to circular economy [E5-3]
We currently do not have any formalized targets in connection with our impacts with respect to waste. Nevertheless, we want to sustainably optimize our activities and production processes by ensuring the efficient use of energy and raw materials, minimizing emissions and waste, and keeping wastewater emissions as low as possible. Waste management and recycling activities are thus systematically implemented to reduce material consumption and disposal volumes. In the context of continuous improvement initiatives, our sites also develop their own policies and targets for a sustainable future, with different priorities and measures to protect the environment. We additionally ensure the proper disposal of obsolete inventories or waste, particularly in the crop protection industry, and cooperate with industry associations and international organizations to support the proper collection and disposal of obsolete crop protection products in various countries. We also globally support programs geared toward the safe recycling and disposal of empty packaging and containers, with successful disposal programs already having been established in several countries. Our principles for responsible product management are established in our Product Stewardship Policy and the Health, Safety, Environment (HSE) Management and HSE Key Requirements Policy, which are based on established and internationally recognized standards. Furthermore, our Consumer Health Division has signed the Charter for Environmentally Sustainable Self-Care of the Global Self-Care Federation to promote industry-wide progress in addressing environmental challenges, including sustainable packaging. We endeavor to deploy sustainable packaging throughout the value chain, with the objective of maximum functionality, minimum environmental impact and circularity. We also support regulatory framework conditions and political initiatives to promote innovative and sustainable packaging technologies, processes and business models.

The effectiveness of our policies and actions with respect to material sustainability-related impacts, risks and opportunities is safeguarded through continuous oversight, regular audits and compliance with our Health, Safety, Environment (HSE) Management and HSE Key Requirements Policy. This approach ensures compliance with local and international rules, promotes best practices and supports our commitment to environmental protection and sustainability. We evaluate our progress using both qualitative and quantitative indicators such as the reduction of waste volumes, the increase in recycling rates, compliance with legal requirements and the successful implementation of site-specific waste management plans and initiatives.

Resource outflows [E5-5]

Our waste consists of hazardous and nonhazardous waste as defined by local regulations. Waste management is strictly regulated by local laws and internal company rules. Each of our sites must have an up-to-date waste registry containing the following information for each waste stream: name, description, origin and volume (metric tons), and sufficient details on the composition, hazard classification, treatment and final disposal.

Our main waste streams differ between our three divisions. The most frequent waste streams originate from the manufacture, formulation (mainly industrial wash liquids and mother liquors), discharge and use of pharmaceuticals and crop protection product packaging (including separately collected municipal packaging waste), absorbents, filter materials, cleaning cloths and protective clothing. Due to our business activity, our waste materials contain pharmaceuticals and raw materials for crop protection and seed treatment products, metals and minerals in laboratory waste, biomass in seed treatment processes, and recyclable waste such as plastics and paper.

The waste volume is directly measured by the sites after its generation and then once again after its disposal. Measured waste volumes for all environmentally relevant sites are entered by HSE officers once a year into a central reporting platform that records the measured data for January through October and the estimated data for November and December. The estimate is based either on the prior-year data, where necessary adjusted to reflect special events in the current reporting period, or on updated data from the current reporting period. The data is then reviewed and validated by a central team to ensure its accuracy and completeness. All sites with an annual energy consumption exceeding 1.5 terajoules and/or annual water withdrawal that is greater than or equal to 50 Tm^3 are regarded as environmentally relevant. The environmental data of other sites that are below the thresholds has no relevant influence on the overall environmental data. The waste data is strictly monitored by the local authorities in accordance with local regulations. The approval authorities examine the waste streams and channels within the scope of the approval procedure, which comprises the filing of the application by the plant operator with all relevant information on waste management. The responsible authority reviews the application to ensure legal and environmental compliance. Approval is granted if the review is positive, potentially with conditions. Waste disposal is then regularly monitored by the authorities.

A 4.2.6/1

Generated waste

thousand metric tons	2024	2025
Total waste generated	1,021	969
of which hazardous waste	287.78	271.88
of which radioactive waste[1]	0.02	0.02

[1] Radioactive waste is generated in our own facilities through research and development in the Crop Science and Pharmaceuticals divisions.

The volume of nonrecycled waste was 433.53 thousand metric tons in 2025 (2024: 462.29 thousand metric tons), corresponding to a share of 44.7% of our total waste (2024: 45.3%). Our finished products, such as pharmaceuticals, crop protection products and seeds, are used almost exclusively as consumable materials for which reuse through recycling or recovery processes, as outlined in the circular economy approach, is not possible. Due to significant regulatory and technical hurdles, the recovery of products from pharmaceutical and chemical production waste is only performed in individual cases. For this reason, the data point “preparation for reuse” required according to ESRS is not material and not included in Table A 4.2.6/1.

We calculate nonrecycled waste as the difference between the total waste volume and the volume of recycled waste. Under recycling we report the volume of waste that is reused or processed for reuse by various means. A small proportion of the recycling figure comprises waste that is fed to a preparation process for reuse.

A 4.2.6/2

Waste by category and treatment type

	2024			2025		
thousand metric tons	Hazardous	Nonhazardous	Total	Hazardous	Nonhazardous	Total
Waste diverted from disposal	49.84	607.48	657.32	75.10	599.83	674.93
of which recycling	33.77	525.28	559.05	36.57	498.73	535.30
of which other recovery operations	16.08	82.20	98.28	38.54	101.10	139.64
Waste directed to disposal	239.05	125.21	364.26	197.01	97.05	294.06
of which incineration	216.56	69.30	285.86	172.59	50.33	222.92
of which landfill	11.01	53.60	64.61	13.00	44.64	57.64
of which other disposal operations	11.48	2.32	13.80	11.42	2.09	13.51

The data on waste diverted from disposal channels and redirected to recycling processes, as well as the respective types of treatment, covers all internal waste management processes, as well as off-site waste management by authorized external parties. Other recycling processes include composting and energy recovery, while other disposal operations comprise all internal and external processes that cannot be otherwise categorized (such as disposal through deep well injections or temporary storage of waste prior to its disposal).

Due to the varying depth of value creation, waste volumes are unequally distributed among our divisions. Crop Science has a higher share due partly to the greater product volume. The reduction in waste from our Crop Science Division of around 20% compared to 2024 is essentially due to lower production volumes and process improvements.

A 4.2.6/3

Waste directed to disposal by division

thousand metric tons	2024	2025
Waste directed to disposal	**364.26**	**294.07**
Crop Science	304.76	242.56
Pharmaceuticals	51.17	45.39
Consumer Health	5.31	4.04
Other segments	3.01	2.08

4.3 Social Information

Social information is a relevant tool for confirming our commitment to responsible corporate governance and providing transparency on the impacts our actions have on employees, communities and society.

4.3.1 Own Workforce

Respect for human rights is a central tenet for us, and we place tremendous value on promoting an inclusive work environment that supports the well-being and development of all employees.

Strategy

To continue bringing our mission “Health for all, Hunger for none” to life, we began introducing a new operating model called Dynamic Shared Ownership (DSO) in 2024. This operating model is aligned even more closely to the needs of our customers and enables our employees to better meet these needs and thus deploy resources more efficiently.

Material impacts, risks and opportunities and their interaction with strategy and business model [S1.SBM-3]

Our impacts on our own workforce as a result of our strategy or business model can vary widely depending on the workplace. We invest heavily in research and development to meet the global demand for innovative solutions in the areas of healthcare and agriculture. This is why we need qualified specialists, whom we want to retain within the company over the long term.

At the same time, advancing and evolving digitalization can lead to changes in various procedures, which brings efficiency gains but can also necessitate the continuing education and retraining of employees. As a global company with employees all over the world, we have to consider different cultural issues both globally and regionally. We therefore promote intercultural competencies and want to ensure fairness and respect at work.

We place high value on the continuous development of our employees and therefore support career development, thereby at the same time strengthening employee retention. We apply a proactive approach that enables our employees to learn and undergo individual and autonomous training to develop their skills.

In this report, “employees” are all persons who have a contractual employment relationship with Bayer according to national law or national practice. This includes full- and part-time employees, interns and apprentices. “Nonemployees” are employees of recruitment agencies (contractors).

Our employees can be exposed to various impacts in a systemic or individual context. For example, changes in our business activity such as through internal restructuring measures can result in our employees and contractors experiencing concerns about their jobs. This could have both individual and collective impacts on the way of working and on the well-being of the respective groups. Furthermore, systemic impacts could occur if Bayer were to be unable to pay adequate wages. In this case, the employees could have difficulty meeting basic cultural and social living standards. In addition, inadequate representation of employees’ interests during management decisions could mean that their voices are not sufficiently heard. In an individual context, negative impacts could occur if employees suffer physical or psychological injuries due to work-related incidents or violence at the workplace.

We also contribute to positive impacts for our employees through our business activities and in particular through our new operating model Dynamic Shared Ownership (DSO), which is aimed at enabling us to leverage the full potential of our businesses. Through DSO, we are striving to build a successful organization that focuses fully on our mission “Health for all, Hunger for none” and on creating value for farmers, patients and consumers, as well as for our employees, investors and other stakeholders. To achieve this, our DSO model breaks down hierarchy levels and bureaucracy in the company to accelerate decision-making processes and enable employees to act more independently. The goal here is to achieve greater employee participation and satisfaction, as employees can better contribute their skills, supported by a feedback-based company culture that promotes social dialogue. A more agile and more efficient organization based on DSO is additionally intended to better address the challenges of the market. The diversity of Bayer’s teams reflects different perspectives, which leads to better decision-making processes. Bayer also offers continuous training measures that improve the employability of our people and prepare them to meet the challenges of the employment market. Training measures to increase awareness of human rights also help to create a respectful and integrative working environment. Health and safety in the workplace are also very important to us as an employer, promoting the well-being of all employees. We want these positive impacts to materialize not just in certain countries or regions, but throughout all the company’s sites worldwide.

The opportunities we see presented by DSO are that our employees have greater influence over decision-making processes in a flatter hierarchy and can become more involved. This can boost motivation and additionally strengthen our company’s innovation power. Independently of DSO, risks exist for Bayer in connection with its workforce that can involve potential loss of reputation and legal consequences if fairness and respect are not ensured in the workplace. Furthermore, employees could be placed at risk by violence in the workplace.

We do not tolerate the use of child labor as described in ILO conventions No. 138 (Minimum Age) and No. 182 (Worst Forms of Child Labour). Children’s development must not be hindered. In cases in which young workers are employed, they must not perform tasks that are mentally, physically, socially or morally dangerous or that impair their school education. Appropriate steps must be taken to protect their health and safety. We do not have any evidence that there is an increased risk of child labor in our own operations.

We also do not tolerate any form of modern slavery, bondage or serfdom, forced or compulsory labor including bonded labor or indentured servitude, or involuntary prison labor or any form of human trafficking. We undertake to comply with ILO conventions No. 29 (Forced Labour) and No. 105 (Abolition of Forced Labour), as well as the Protocol of 2014 to Convention No. 29, and to identify and prohibit modern slavery of any type in our business activity and value chains. We do not have any evidence that there is an increased risk of any form of modern slavery in our own operations.

In some work environments, there is a risk that employees could suffer physical or psychological health impairments due to the work assigned to them or in the case of safety incidents. This applies particularly to all employees who work with hazardous materials or under dangerous conditions. To protect our employees, we have established extensive management systems for occupational safety (including an assessment of the respective workplaces and tasks) and health protection (including health screening). Our work organization also involves intensive familiarization and training measures (e.g. in the area of chemicals). In this way, we have an understanding of possible negative impacts and want to promote a healthy work environment. To create fair and respectful relationships in the workplace, we have introduced strict rules that are also part of our Code of Conduct (“Fairness and Respect at Work” section). In this way, we want to protect all our employees from unfair or unethical treatment at work for example. We promote a culture of appreciation that enables our employees to unlock their potential.

Our principles regarding our own workforce [S1-1]

Our Human Rights Policy comprises clear standards and rules that apply at Bayer, including and particularly in relation to child labor and forced labor (including human trafficking). Our Human Rights Policy obligates us to respect human rights within our own operations and promote them in our business relationships. This applies to all Bayer employees worldwide and also includes the entire value chain. It is therefore just as applicable to our suppliers, business partners, customers, consumers and local communities.

Human rights standards serve as a guide for our decision-making processes and our constructive engagement for human rights both inside and outside the company. In accordance with the United Nations Guiding Principles on Business and Human Rights (UNGPs), we apply a risk-based approach that takes into account the current legal situation and builds on existing (internal) processes:

// Risk management system for conducting a comprehensive risk analysis
// Reporting of the results of the risk analysis to the Board of Management and further responsible decision-makers in order that action plans can be developed to counteract and limit risks and negative impacts in human rights matters
// Regular review of the risk management approach for human rights and monitoring of the implementation of our commitments along the entire value chain by the respective responsible persons, including determining the effectiveness of the measures for dealing with human rights risks and developing improvement measures
// Continuous documentation of and reporting on the measures and annual progress with regard to human rights due diligence

Our commitment to respect human rights is based on the UNGPs, which assign clear responsibilities to governments and companies as regards human rights, and on the OECD Guidelines for Multinational Enterprises. This commitment includes internationally recognized human rights in accordance with the International Bill of Human Rights and the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO). The International Bill of Human Rights consists of the following elements:

// Universal Declaration of Human Rights (UDHR)
// International Covenant on Civil and Political Rights (ICCPR)
// International Covenant on Economic, Social and Cultural Rights (ICESCR)

We always act in accordance with national law. Where discrepancies exist between national law and international standards, we principally observe the more stringent standards.

The Bayer risk portfolio is compiled in consultation with the risk owners of the divisions and enabling functions and regularly reviewed by the Assurance Committee. Six priority topics were determined in this connection: the right to health, responsible management of resources, protection against child labor, the right to freedom from slavery, serfdom and forced labor, the right to fair and favorable working conditions and the right to freedom of association.

Our Code of Conduct includes the “Health & Safety” section, the importance of which is underscored for our employees and the entire value chain in our mission “Health for all, Hunger for none.” We use suitable management systems and processes to comply with our occupational health and safety standards for our employees. Details are described in our Health, Safety, Environment (HSE) Management and HSE Key Requirements Policy. The management systems enable us to identify and reduce occupational safety risks that could lead to serious personal injuries should they materialize. By investigating incidents and potentially serious events, we can help prevent further events and thus promote a safety culture and a healthy work environment. The management systems also support compliance with legal requirements pertaining to occupational health and safety and help to avoid operational disruptions and protect the company’s reputation.

Other clear priorities of our Human Rights Policy include the topics of discrimination, harassment and equal employment opportunity. It establishes the basic principle of fair and equal treatment for all employees at Bayer. In our own operations, our value chain and our dealings with local communities, we are committed to fair and respectful treatment and compliance with ILO Convention No. 111 (Discrimination).

No one may be unlawfully discriminated against due to protected characteristics such as age, disability, volunteerism, employee representation, ethnicity, marital status, gender, gender expression and identity, skin color, physical features, union membership, national origin, pregnancy, sexual orientation, social background, religion or another criterion.

Although we have no political obligations with respect to inclusion and support measures, we are committed to promoting and maintaining inclusion and equal opportunity for all people within our company culture. The different personalities, experiences, skills, approaches, views and unique abilities, and the time our employees contribute to their work, are an important part of our culture. We demonstrate this by including “Fairness and Respect at Work” in our Code of Conduct and have implemented corresponding commitments and strategies that are designed to prevent discrimination.

Processes to remediate negative impacts and channels for own workers to raise concerns [S1-3]

We cultivate an open and transparent culture. We encourage employees and third parties to raise their concerns with regard to compliance, thereby promoting an environment in which everyone feels able to express concerns. When questions are posed and concerns raised, this helps us to maintain a strong compliance culture. We also provide information, resources and guidance to prevent violations of the law or company rules.

Employees can use our global Speak Up Channel in numerous languages. This is a secure grievance process hosted by an external provider at Bayer that gives everyone (including the public) the opportunity to report alleged compliance violations confidentially (and anonymously, wherever permitted by local law). Employees and third parties can directly contact our compliance department via the email address Speak.up@bayer.com. If employees believe an activity or behavior could represent a material compliance violation, they have an obligation to report this.

Suspected compliance violations are recorded and processed within the scope of monitoring activities conducted by the compliance department. All grievance mechanisms culminate in a standardized system for systematically recording and investigating all types of risks and violations according to uniform criteria throughout the Group. As soon as a report is submitted, it is immediately forwarded to the responsible persons within Bayer for further investigation. The processing of reports takes place according to the guidelines in place for internal investigations.

If contact data is provided, the investigation team makes initial contact within the first seven days in principle. Those submitting reports are generally notified about the progress and conclusion of the investigation. Over the course of the investigation, we examine, for example, the content of the grievance for plausibility, further clarify the facts of the case, implement preventive or remedial measures, if necessary, and examine their effectiveness. All types of information and reports on investigations are only relayed on a strict need-to-know basis, as the highest value is placed on confidentiality and anonymity. A protected and continuous communication channel is opened for the complainant, including beyond the submission of the grievance, by way of a personal access number and password. The effectiveness of the channel is ensured through an ESG effectiveness test carried out in 2025, as well as the Ownership Pulse employee survey with corresponding questions about the channel, both of which were presented to the Board of Management.

By implementing Bayer-wide training measures and communication campaigns that are tailored to target groups and based on identified needs, we support all employees in acting with integrity and proactively avoiding potential violations. Our Code of Conduct forms the basis for our compliance communication and training activities. Both managers and staff from the Law, Patents & Compliance Enabling Function are available to answer employees' questions about legally correct behavior. For more information on grievance mechanisms, please see Chapter A 4.4.1 Business Conduct.

Processes for engaging with the company's own workers and workers' representatives about impacts related to the freedom of association, existence of works councils and the employees' rights to information, consultation and codetermination as well as social dialogue [S1-2]

In globally operating companies, it is potentially possible that the interests of employees in the respective country companies are not sufficiently taken into account in management decisions by elected representatives and/or trade unions. Both the Code of Conduct and the Bayer Human Rights Policy address the issue of freedom of association. We respect the right and freedom of our employees to join organizations of their choosing. These organizations can participate in wage negotiations in accordance with applicable legal regulations. At all of our sites worldwide, employees have the right to elect their own representatives according to local laws and legal regulations, and we are committed to constructive, open dialogue with our employees and their representatives as well as to the involvement of works councils and unions in accordance with local laws and legal regulations. At various country companies, the interests of the workforce are represented by elected employee representatives who have a right to be consulted on certain personnel-related decisions.

We offer our employees numerous means of actively discussing company-specific topics and scope for optimization via various internal communication channels. We actively involve our workforce in business processes by offering the opportunity for dialogue. Informing employees comprehensively and in good time about upcoming internal company changes, in compliance with the applicable national and international regulations, is very important to us. We measure employee engagement by means of systematic feedback discussions and employee surveys on different topics. This enables us to monitor the effectiveness of our initiatives and, if necessary, implement improvements.

The review of whether the measures have been implemented sustainably is carried out both through the annual HR survey on the implementation of measures relating to freedom of coalition, freedom of association and collective bargaining and through internal audits. We are also working on a concept to better evaluate the effectiveness of our measures aimed at respecting and protecting human rights. The design of the individual measurement systems is being further advanced, taking into account established measurement systems such as supply chain monitoring.

We engage in open and trustful dialogue with employees and employee representatives worldwide. The main dialogue formats are regular employee assemblies and information events for employees, as well as the European Forum, at which employee representatives from European sites engage in discussion with the Board of Management, for example, on topics of overarching relevance to the company.

Inclusion of employees and their views takes place primarily through these existing employee representative bodies. In Germany, there are local works council committees at the respective sites, as well as the Central Works Council and the Group Works Council for inter-site issues. As representatives of the employees, these institutions enforce the rights bestowed on them and meet the obligations imposed on them by the German Works Constitution Act (BetrVG) within their respective scope of responsibilities. Other representative bodies are the aforementioned European Forum and employee representations in individual European countries, which decide themselves on the frequency of meetings, ranging from weekly to monthly or quarterly. Involvement of the employee representatives depends on the topic involved and is based on the statutory codetermination regulations.

In the previously mentioned committees, the topics are presented in each case by those responsible for these topics so that they are directly involved in the discussion pertaining to the feedback. At the same time, minutes are kept of each meeting. The employee representatives have various means of communicating with the employees, be it through the works council members in their units, who regularly engage in dialogue in their respective units, or through the personnel liaison officers (employees in the units), who share information from the works council in organizational unit meetings, departmental meetings or employee assemblies organized by the site works council.

Topics of overarching relevance for different sites, such as human resources policy topics e.g. a new feedback tool, are discussed in the Central Works Council and Group Works Council. For topics relating to a change at a site, the site level becomes involved. The resources for involving the works council vary, as this involvement represents a subtask of numerous HR employees responsible for business consulting. At the same time, it is also a subtask of the respective experts who develop and introduce the human resources policy topic fields.

The aforementioned committees address the previously listed topics. Other committees include the Youth and Education, Diversity and Inclusion, and Occupational Health & Safety and Environmental Protection committees. The issues relating to restructuring and the loss or creation of jobs are initially deliberated within the Economics Committee and subsequently in the relevant site committees in accordance with the German Works Constitution Act (BetrVG).

Operational responsibility for incorporating the results into the company concept does not lie with a specific person, but rather with the persons responsible for the topic, as the topics can range broadly from, for example, “approval of an employee survey” to “negotiations in connection with transformation.” If an organizational change is being considered, for example, operational responsibility for this change lies with the respective manager, who develops this change together with their leadership team in coordination with an HR partner. It is recorded in the onboarding process and in the internal knowledge database for managers that an HR partner is involved here. The latter is trained in the local codetermination rules to ensure that they include the employee representatives in deliberations on the organizational change. We observe the agreements the company has made with the employee representatives in connection with respecting human rights within the company’s workforce. For more information on our Human Rights Policy, please see the section “Holistic policies for managing material sustainability matters [MDR-P]” in Chapter A 4.1 General Information on the Sustainability Statement.

Management of impacts, risks and opportunities related to diversity and inclusion

In our double materiality assessment, we identified a positive impact related to fairness and respect at work. Accordingly, Bayer's diverse teams represent a diversity of perspectives and life experiences, which leads to better decisions. Among other measures, we support women in leadership positions, advance gender equality and aim to ensure equal treatment of external and internal employees through various initiatives. We are convinced that establishing a fair and respectful work environment promotes a positive sense of belonging among our employees, so that they feel a stronger connection with one another and with Bayer. We have clear company principles and clear rules for fair, respectful and inclusive interactions in the workplace to promote our attractiveness as an employer. Risks related to the loss of reputation and legal consequences due to a lack of fairness and respect in the workplace can also materialize if, for example, inclusion-related activities are perceived to be unfair because they prioritize certain population groups over others.

Policies related to fairness and respect at work [S1-1]

Our policies on fairness and respect at work are based on the Bayer Code of Conduct and the Bayer Supplier Code of Conduct.

Promoting an inclusive and ethical workplace in keeping with the Code of Conduct

Our Code of Conduct is the central guideline for supporting our commitment to inclusion. It comprises all standards our employees must fulfill, including complete adherence to relevant laws and provisions, integrity in business practices, respect for human rights, environmental responsibility and commitment ensuring the fair and respectful treatment of all stakeholder groups. Through the Code of Conduct, we create a common understanding of the most important, globally applicable guidelines. It defines how our employees work together with colleagues and external partners and serves as a compass to ensure that we act with integrity, make informed decisions and strengthen the identity of our company. We instruct our employees about its content and on conduct through web-based training courses. We investigate any violations and resolve them consistently. Confirmed violations are sanctioned in accordance with our sanction regulations. For more information on our Code of Conduct, please see the section "Holistic policies for managing material sustainability matters [MDR-P]" in Chapter A 4.1 General Information on the Sustainability Statement.

Actions related to fairness and respect at work [S1-4]

Our talent acquisition practices include our package of measures to promote equal employment opportunity in our global workforce.

Fairness and respect at work through fair talent acquisition practices

One of our most important actions is the implementation of fair and inclusive talent acquisition and talent management processes, including training measures for managers on important practices during the hiring process (e.g. robust sourcing activities to identify the broadest pool of qualified candidates). This action applies to all our hiring processes and helps managers to become aware of the importance of inclusive recruitment and hiring practices. This approach has led to an improved recruitment process in recent years. Another important action in terms of training is the globally available learning journey, which offers all employees extensive resources and learning opportunities throughout their personal learning journey. These training measures and resources apply to all our employees and have led to a stronger awareness worldwide of the importance and implementation of respective practices. The training measures are always accessible and can be carried out voluntarily, with regular updates and continuous improvements. Our progress in this area also includes the use of inclusive language in job advertisements and of market insights to identify the availability of talents and thus adapt a targeted strategy for enhancing our pool of qualified candidates.

To remedy the material impacts related to potentially unequal opportunities and to promote greater cultural awareness, we offer continuous global exchanges and training measures such as "Understanding prejudices worldwide" to generate greater awareness of this issue, as well as the global mentorship program "Leadership Link." We will also continue to offer these measures in the future. By developing and applying corresponding guidelines such as the Fairness and Respect at Work policy contained in our Code of Conduct, we aim to promote a positive work environment and avoid risks and negative impacts on our employees in this area. The Employee Survey described below also ensures that we enhance awareness among our employees, create a respectful work environment and collect feedback to establish satisfaction and measure potential problem areas.

The Employee Survey allows us to obtain insights once a year into the perception of inclusion. All employees had the opportunity to take part in this survey in 2025. The promotion of an inclusive work environment in which employees are encouraged to be creative and express their ideas freely garnered a high approval rating (4.1/5 compared with 4.0/5 in 2024). If actions should become necessary due to the feedback received, which has not been the case in 2025, we would discuss this internally. Other resources we utilize in the management of material impacts in inclusion are our system landscape and applicable reporting tools.

Culture, education and awareness through our Business Resource Groups
Another aspect that supports our culture strategy is the work being done by our global Business Resource Groups (BRGs):

// ENABLE (supporting employees with disabilities/diverse abilities)
// MERGE (enhancing multigenerational competence within the company)
// GROW (supporting women's equality)
// BayAfro (supporting employees of Black/African descent and their allies)
// BLEND (supporting lesbian, gay, bisexual, transgender and queer [LGBTQ+] employees and their allies)

Our BRGs are voluntary, company-sponsored groups of employees who work together to promote cultural awareness and corresponding education. The BRGs give a voice to employees within our company. BRGs assist us in cultivating an inclusive workplace. They help us create an inclusive workplace by pursuing a one-year strategy plan in which they demonstrate their progress. Both in the past and in the current reporting period, our BRGs worked to meet their goals by elevating the perspectives of their membership and promoting cooperation and exchange between employees from various backgrounds within the organization.

We support several initiatives to underscore our positive impact on fairness and respect, such as through our participation in the Wings for Life World Run to highlight the importance of amplifying voices for people with disabilities and their allies. Each global BRG is supported by a member of the Board of Management and an executive sponsor from the company, has its own plans of action and coordinates the strategy and progress in this area with its business areas and its sponsor from the Board of Management. In addition, we have BRGs at a country and site level, with local executive sponsors who support BRGs' local efforts.

Another resource we utilize with regard to the management of material impacts in this area and our BRGs is the representation of these groups in the respective global council.

Management of impacts, risks and opportunities related to training and development

We endeavor to ensure continuous development for all employees. Within our double materiality assessment, we have identified positive impacts and opportunities in connection with our training and development measures. Through continuous training, our employees improve their skills and specialist expertise and thus remain employable over the long term. In addition, special training programs heighten awareness of human rights, which contributes to a respectful and inclusive work environment and a positive company culture. In our double materiality assessment, we have also identified the improved innovation and performance power of our new operating model DSO, supported by enablers such as the Talent Marketplace. We are convinced that the correct deployment of talented employees increases innovation opportunities, which improves employee performance and retention.

Policies related to training and development [S1-1]

Our policies focus on autonomous learning in the Bayer learning ecosystem.

Continuous development in the Bayer learning ecosystem

The Bayer learning ecosystem requires the completion of obligatory training courses and provides an opportunity for self-development. The monitoring of obligatory training completion is ensured by the system and can be tracked if required. Our employees assume responsibility for their own personal learning and development. Managers are responsible for actively supporting and encouraging their employees' development.

Within our learning ecosystem, employees can prioritize within the scope of their regular working hours what they learn and when, where and how. The necessary time for this is integrated into the work routine. This enables continuous learning, supports current and future skills and is described and communicated accordingly on our intranet.

Actions related to training and development [S1-4]

Independent learning and compulsory training courses are the core elements of our actions to promote training and development.

Opportunity to learn compulsory contents and personalized learning offerings

The Learning Management System (LMS) enables the assignment of compulsory learning contents for predefined target groups, as well as individual selection based on specialized catalogues.

Compulsory course contents are regularly given a due date. The default setting in the LMS – a due date 30 days after a training course is assigned – can be adjusted by the training assigner. Learners receive a notification by email when an assignment is given and before the due date arrives. If the due date passes without the training having been completed, learners receive further reminders, including from the supervisor if required. To obtain feedback on the quality and relevance of the course contents, the LMS provides a survey that can be filled out by the participants once they have completed a learning element.

With the help of our Learning Experience Platform (LXP), we also offer participants personalized learning offerings that align with the skills they would like to develop. Tailored contents can be selected from internal and external sources. Our globally available, digital Talent Marketplace platform is designed to also increase the flow of talent. The artificial-intelligence-based platform links employees with suitable projects, further development opportunities and colleagues within the organization based on qualification requirements. Talent management of this nature helps to achieve more innovation within the company, improved employee performance and stronger employee development.

We continuously update various learning materials such as videos, courses, podcasts and articles. For example, in recent years we have added new contents from the areas of digitalization, artificial intelligence, inclusion and leadership to our learning offering and expect our employees to engage in this continuously and autonomously.

To meet the need for skilled employees, we hire apprentices in various occupations, primarily in Germany. Around the world, we also offer apprentice programs in various areas for those embarking on a career, as well as internships for school and university students.

Management of impacts, risks and opportunities related to adequate wages

As part of our double materiality assessment, we have identified how important paying adequate (living) wages is for the working conditions of our employees. Living wages are designed to enable our employees to achieve a basic cultural and social standard of living. This realization underscores our commitment to fair compensation and the creation of a work environment in which all employees are able to improve their quality of life. By ensuring adequate wages, we promote the well-being of our employees and help establish a positive company culture.

Policies related to adequate wages [S1-1]

Our Living Wage Program is a core element for ensuring adequate wages.

Safeguarding adequate wages through our Living Wage Program

We apply uniform standards to ensure that employees are fairly compensated throughout the entire Group and, as a positive impact of this policy, can achieve a minimum standard of living from a cultural and social standpoint. Our performance- and responsibility-based compensation system combines a base salary with performance-related elements and additional benefits. Adjustments based on continuous benchmarking processes make our compensation internationally competitive. We have a global procedure on living wages that applies to all employees worldwide with permanent and temporary employment contracts. We compensate our employees beyond the statutory minimum wage prescribed in the respective countries and pay at least a living wage.

By integrating the living wage concept into our operational procedures, we also support the Universal Declaration of Human Rights and the global Sustainable Development Goals (SDGs) of the United Nations. The global Total Rewards Team is responsible for regularly reviewing adequate wages. Living wages are examined and determined annually worldwide by the nonprofit organization Business for Social Responsibility (BSR).

Actions related to adequate wages [S1-4]

We review employee salaries to ensure the payment of adequate wages.

Annual review of salaries

The salaries of all our employees are reviewed annually. If it is determined during this process that employees have not received an adequate wage, a corresponding increase is arranged.

The review covers all employees worldwide with permanent and temporary employment contracts and has taken place once a year since 2015. The analysis is carried out by the Human Resources department with its own resources. The resulting salary increases are included in personnel expenses.

Management of impacts, risks and opportunities related to preventive health

Within our double materiality assessment, we have identified the positive impacts of our health promotion measures on the working conditions of our employees. Promoting and maintaining the health of our employees through company health programs is of central importance for our efforts to promote well-being in the workplace. These programs not only contribute to our employees' physical and mental health but also promote a safe and supportive work environment. By providing such health offerings, we strengthen our employees' resilience and create the foundation for a productive and positive company culture.

Policies related to preventive health [S1-1]

Our preventive health concepts are focused on transparency and information.

Information on health and quality of life through the BeWell@Bayer framework

We have established a global framework entitled BeWell@Bayer to promote our employees' health and quality of life. This concept expands the core aspect of health into a comprehensive approach, is geared toward health improvements in the daily work environment and is specially designed to suit our employees' needs. The framework is a globally valid position paper and was implemented by the respective HR head and the global health project team. Application and continuous evolution are managed by the respective local HR and HSE heads and the global health working team. The BeWell@Bayer framework is available to all employees via the intranet as a voluntary measure and is not monitored.

Actions related to preventive health [S1-4]

The core elements of our actions related to preventive health are programs and materials, as well as a comprehensive approach to health and well-being.

Comprehensive approach to health and well-being

BeWell@Bayer is an ongoing framework with various focus issues. In 2025, we continued to focus particularly on mental health and women's health. Through the global MyHealth platform, we offer programs and materials to help promote a comprehensive approach to health and well-being. The global platform and global framework are supplemented by numerous local health offerings. We accounted for stakeholder interests through a mix of dialogues, stakeholder meetings and surveys when implementing this concept, and a comprehensive approach for the four pillars of well-being was agreed on. We thus focus on physical, emotional, social and financial aspects. BeWell@Bayer also goes beyond the provision of occupational health and safety and adequate health insurance – it ensures appropriate working conditions, supports health-conscious behavior and promotes appropriate leadership principles.

Management of impacts, risks and opportunities related to health and safety

Through our double materiality assessment, we have identified positive and negative impacts related to the health and safety of our employees, who could experience physical or mental injuries through the work assigned to them or through safety incidents. This applies particularly to all employees who work with hazardous materials or under dangerous conditions. At the same time, as a responsible employer, we help promote a healthy and safe workplace.

Health impairments due to work could also lead to financial risks that, in turn, could damage our reputation. In addition, possible safety incidents could lead to operational interruptions. Material, recurring defects in this area could lead to consumer boycotts, trade restrictions and reduced attractiveness as an employer.

Policies related to health and safety [S1-1]

At the center of our promotion of occupational health and safety is our Health, Safety, Environment (HSE) Management and HSE Key Requirements Policy.

Occupational health and safety

Our Health, Safety, Environment (HSE) Management and HSE Key Requirements Policy summarizes all issues related to occupational health and safety and defines what is required of the management systems. It applies to all employees worldwide and is implemented under the auspices of the Board of Management, which holds overall responsibility for occupational health and safety. The policy is published in our internal document management system. Current topics associated with the HSE requirements are communicated in the monthly HSE Newsletter. In establishing this policy, we listened to and considered the opinions of various stakeholders such as HSE experts and the HSE management system. The policy was also coordinated with the business partners in the divisions and the enabling functions. Furthermore, prior to its publication, the policy was examined and approved by the Group Works Council as the employees' representative body. A web-based training program on the HSE key requirements and on selected chapters such as "Emergency Preparedness and Response" and

"Leaders' Responsibilities" are available in the HSE management system, as are procedures and knowledge documents describing how to implement the HSE key requirements. Compliance with these requirements is reviewed through site-independent, internal HSE audits and separate self-assessments by the sites. For more information on the Health, Safety, Environment (HSE) Management and HSE Key Requirements Policy, please see the section "Holistic policies for managing material sustainability matters [MDR-P]" in Chapter A 4.1 General Information on the Sustainability Statement.

Actions related to health and safety [S1-4]

We carry out surveys at our sites to ensure occupational health and safety.

Surveys on heat stress at our sites

The impacts of extreme heat (heat stress) can present a risk for agricultural workers and have negative impacts on their health and safety. Farm laborers are particularly vulnerable to heat stress because they are exposed to high temperatures, high humidity and direct solar radiation while performing strenuous outdoor work. In 2025, we developed and adopted a global set of standards that all sites must comply with as regards work under extreme temperature conditions. We also developed supporting tools to assist and guide the global teams in the design and implementation of suitable programs. Furthermore, to ensure that contract workers are also protected, we mandated that contracts must contain appropriate provisions to safeguard workers from extreme environmental factors.

Management of impacts, risks and opportunities related to job security

As part of our double materiality assessment, we identified the potential negative impact of a risk to job security due to restructuring and transformation measures.

For example, any restructuring measures necessitated by the introduction of the new Dynamic Shared Ownership (DSO) operating model are implemented in a socially responsible way. If job reductions become necessary, we want to minimize the impacts on our employees in all countries and find mutually agreeable solutions. This also applies in Germany, where agreements with employee representatives are in place that fundamentally rule out business-related dismissals in the intercompany personnel network of Bayer AG until the end of 2026. Flexible severance package models with attractive terms are offered for employees in various age groups. They can also receive advice on career reorientation and are supported with job application training measures.

There are no German or global collective arrangements as regards the issue of permanent employment contracts. This is not necessary because the vast majority (more than 95%) of our employees have a permanent employment contract, which contributes significantly to job security.

A special (collective) arrangement on this matter is not necessary in Germany because the conclusion of a permanent employment contract is already the norm according to German law and temporary contracts are only possible under very strict legal conditions. This is designed to prevent the circumvention of German dismissal protection through the conclusion of several consecutive temporary employment contracts. Due to the fact that temporary employment contracts account for only a very small share of total employment contracts, no initiatives are currently being implemented here or planned as future objectives.

Metrics and targets in the area of our own workforce

It is of crucial importance for us to transparently present metrics as regards our own workforce so that we can show progress in all key areas and thus contribute to responsible business conduct.

Targets[36] related to workforce: global gender balance aspirations [S1-5]

To promote the positive impacts relating to fairness and inclusion, we adhere to our Code of Conduct with the embedded human rights aspects, and we monitor our global representation (gender, generation, nationality) of our top management (top 450 executives, including our Board of Management). As a German-headquartered company, we are subject to certain statutory regulations related to the composition of our Supervisory Board and Board of Management.

Talent comes in many forms, and we are committed to identifying, developing and advancing the best qualified people through fair, consistent and inclusive talent processes. In 2025, the proportion of women in top management remained unchanged and stood at 35.1% at year-end (2024: 35.1%). The average share of women across all management levels in 2025 was 44.2% (2024: 44.1%). Accordingly, we have achieved our aspiration of raising the global share of women in top management to 33% by 2025. From the 2026 reporting year onward, Bayer will no longer disclose quantified gender representation aspirations but rather report on our aspiration to achieve gender balance at each managerial level, showing year-on-year progress. Further aspects such as ethnic background are integrated into our aspirations for our regions and country organizations. All aspirations are managed in a manner consistent with local legal and regulatory frameworks.

Our global aspirations are measured in percentages and include our entire management, as well as specifically our top management at the global level; here, we always consider the data from 2020 as the baseline. The assumptions made in 2020 with regard to achieving the aspirations by 2025 were based on the data available to us at the time. These include:

// Availability of talents
// Fluctuation
// Retirement

It is important to note that the aforementioned parameters only reflect the assumptions made. Hiring the best talent continues to be the only decisive criterion. The forecast models offered are hypothetical projections of variables that will fluctuate based on future events and business circumstances. They are theoretical only and should not be used as the basis for individual employment decisions or for giving preference to certain candidates or groups of candidates over others. All individual hiring decisions are based on legitimate, nondiscriminatory and job-related factors.

We actively included our stakeholders in our target setting through various dialogue formats and stakeholder meetings. The results were presented to the Board of Management correspondingly. The Board of Management is also notified about the annual progress with regard to the gender balance, and we additionally publish this data within the scope of our sustainability reporting. We also use an internal dashboard to view the current status. The HR and personnel heads are granted access for their scope of responsibility. In order to take measures or initiate improvements in the spirit of continuous improvement, a corresponding global Council has been established, consisting of the respective leads for the markets and countries, as well as the co-leads of the Business Resource Groups.

[36] For Diversity and Inclusion, we use the term “aspirations,” not targets.

Characteristics of the undertaking's employees [S1-6]

We had 89,237 (2024: 94,081) employees worldwide as of December 31, 2025. Calculated in full-time equivalents and defined based on the employee's contractually agreed working hours (FTEs), we had 88,078 (2024: 92,815) employees worldwide. These full-time equivalents are uniformly stated in our Consolidated Financial Statements and additionally augmented with financially relevant information such as personnel expenses (please see Note [9] "Personnel expenses and employee numbers" in Chapter B Consolidated Financial Statements). Casual employees (seasonal employees, apprentices, interns and students) are not included in the data on employees in the Annual Report outside of this Sustainability Statement. Not all data is recorded for casual employees due to the short duration of their employment; this includes data relating to the performance process, pension provision and parental leave.

A 4.3.1/1

Total employees in headcount and FTE

	Headcount		FTE	
	2024	**2025**	**2024**	**2025**
Total employees incl. casual employees	**97,106**	**92,193**	**95,660**	**90,867**
Casual employees (seasonal employees, apprentices, interns and students)	3,025	2,956	2,845	2,789
Total employees[1]	**94,081**	**89,237**	**92,815**	**88,078**

[1] The total number of employees is the reporting basis for data in the Annual Report regarding employees, unless stated otherwise.

For Bayer, countries with significant employment are Germany and the United States.

A 4.3.1/2

Employee headcount in countries with significant employment[1] (in headcount)

	2024	**2025**
Germany	21,824	19,600
USA	17,697	17,455

[1] Countries with significant employment are those in which Bayer has at least 50 employees, accounting for at least 10% of our total workforce.

As in 2024, 42.1% of employees were female in 2025 (2024: 42.1%).

A 4.3.1/3

Number of employees by gender[1] (in headcount)

	2024	**2025**
Female	39,585	37,577
Male	54,496	51,660
Total	**94,081**	**89,237**

[1] We do not report on the gender declarations "Diverse" or "Not specified." Due to legal regulations, we are only permitted to inquire about this information in eight of the countries in which we operate (Germany, Austria, Canada, Australia, Malaysia, Argentina, India and New Zealand). The option of stating the gender "Diverse" or "Not specified" was utilized in only two of these countries (Canada and Germany). Due to the low data volume in the eight countries (corresponding to approximately 0.03% of our total workforce in these countries), we refrain from reporting this information.

In 2025, 2.2% of employees at Bayer had temporary contracts (2024: 2.4%). Temporary employees include those who are hired for a time-limited project.

A 4.3.1/4

Employees by contract type and gender (in headcount)

	Female		Male		Total	
	2024	**2025**	**2024**	**2025**	**2024**	**2025**
Permanent employees	38,652	36,721	53,212	50,559	91,864	87,280
Temporary employees	933	856	1,284	1,101	2,217	1,957
Total	39,585	37,577	54,496	51,660	94,081	89,237

In 2025, 12,158 (2024: 13,351) employees left Bayer, corresponding to a total fluctuation rate of 13.7% (2024: 14.0%). This number includes all employer- and employee-induced terminations, termination agreements, retirements and deaths. The fluctuation rate is calculated by dividing the total number of departures in the reporting period by the average number of employees in the reporting period.

The metrics on employee characteristics are applied for the closing date of December 31, 2025, and are based on headcount or full-time equivalents, as stated. The information disclosed in this section is taken from Bayer's global human resources system in combination with the global Group finance system for employees of companies that are not connected to our global human resources system.

Collective bargaining coverage and social dialogue [S1-8]

In 2025, working conditions for 54.0% (2024: 53.0%) of our employees worldwide were regulated by collective bargaining agreements.

A 4.3.1/5

Collective bargaining and social dialogue

	Collective bargaining coverage	Social dialogue
Coverage rate	**Employees – EEA[1]**	**Workplace representation – EEA[1]**
0 to 19%	–	–
20 to 39%	–	–
40 to 59%	–	–
60 to 79%	–	–
80 to 100%	Germany	Germany

[1] Data for European Economic Area (EEA) countries with significant employment (> 50 employees who account for at least 10% of the total workforce). Within the EEA, Germany is the only country for us with significant employment (please see the section "Characteristics of the undertaking's employees [S1-6]").

Employees at all Bayer sites around the world have the right to elect their own employee representatives. In various country companies, the interests of the employees are represented by elected employee representatives who have a say in certain personnel decisions. Since 1991, an agreement has been in place in our company governing employee representation through a European works council (Agreement between Company Management and the Group Works Council of Bayer AG on the Bayer European Forum, 1991, most recently amended in 2022).

The metrics for collective bargaining coverage and social dialogue are applied for the closing date of December 31, 2025, and are based on headcount. The information disclosed in this section is compiled annually through an internal query addressed to the HR country organizations. That includes all companies connected to the global human resources system, covering about 98% of our employees.

Diversity metrics [S1-9]

Our top management consists of 158 (2024: 176) women and 292 (2024: 326) men. This means that 35.1% (2024: 35.1%) of our top managers are female and 64.9% (2024: 64.9%) are male.

As regards the age composition of our workforce, the demographic situation varies widely from one region to the next. Overall, the largest proportion of our employees are between 30 and 50, at 64.7% (2024: 64.1%).

A 4.3.1/6

Employees by age group and region (in headcount)

	Europe/Middle East/Africa		North America		Latin America		Asia/Pacific		Total	
	2024	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**
< 30 years	3,879	3,430	1,795	1,619	1,973	1,669	3,279	3,247	10,926	9,965
30–50 years	25,661	24,343	11,175	10,824	9,296	8,666	14,146	13,884	60,278	57,717
> 50 years	12,794	11,485	6,235	6,267	1,725	1,669	2,123	2,134	22,877	21,555

The age composition metrics apply for the closing date of December 31, 2025, and are based on headcount. The information disclosed in this section on our top management is taken from Bayer's global human resources system. That includes all companies connected to the global human resources system, covering about 98% of our employees. We define our top management as our top 450 managers, including our Board of Management. The information on employees by age group and region is taken from Bayer's global human resources system in combination with the global Group finance system for employees of companies that are not connected to our global human resources system.

Adequate wages [S1-10]

As standard practice, we pay employees on both permanent and temporary employment contracts a "living wage," which is reviewed annually and defined worldwide by the nonprofit organization Business for Social Responsibility. The global living wage data is usually provided by BSR in November. The country organizations then check the data from December to February and confirm it by March. Living wages also apply to part-time employees whose compensation was proportionately adjusted to that of a full-time position. The payment of living wages is implemented at the country level and is reviewed annually by HR to ensure that the requirements of BSR are complied with throughout the Group. That includes all companies connected to the global human resources system whose compensation data is administered and reviewed using that system, covering about 98% of our employees. A living wage is defined as the wage that is required to purchase the goods and services needed to meet a minimum cultural and social standard of living in a country – including basic needs such as accommodation, energy and food, but also leisure activities, cultural participation and a savings rate. The concept of a living wage thus goes beyond the otherwise customary statutory minimum wage. In addition, living wages are adjusted each year to reflect changing conditions in certain countries, while statutory minimum wages usually remain unchanged for several years.

Health and safety metrics [S1-14]

The safety of the people who work in and for our company and of people who live near our sites is our highest priority. We are now also extending these ambitions to our supply chain. We focus on taking consistent precautions – to ensure healthy working conditions and safety in day-to-day work, in the operation of production facilities, and on work-related travel and transportation routes.

For this reason, we have established a health and safety management system at all our sites that complies with recognized international standards (such as ISO 45001) and covers 100% of our workforce.

We registered a total of 403 recordable work-related accidents in 2025 (2024: 439), with the majority involving our own employees. Recordable work-related accidents pertain to all incidents that lead to ill health or work-related injuries requiring medical treatment that goes beyond basic first aid and/or is associated with lost work time.

The rate of recordable work-related accidents fell to 2.16 in 2025 (2024: 2.20). To calculate the rate of recordable work-related accidents, the number of recordable work-related accidents registered in the reporting period is divided by the total number of hours worked by employees and nonemployees during the reporting period and then multiplied by one million. The rate of recordable work-related accidents thus reflects the number of occupational injuries per 500 full-time employees within the reporting period. We apply a global average of 159 monthly working hours per employee and nonemployee to estimate the total number of hours worked in the reporting period. This average is based on historical manual surveys of actual hours worked.

In 2025, no fatalities from work-related injuries and work-related ill health occurred affecting our own workforce (2024: zero). There were also no fatalities in 2025 due to work-related injuries and work-related ill health among value chain workers (2024: two).

A 4.3.1/7

Health and safety[1]

	2024	2025
Recordable work-related accidents	439	403
of which recordable work-related accidents of employees	397	338
of which recordable work-related accidents of nonemployees	42	65
Rate of recordable work-related accidents	2.20	2.16
Rate of recordable work-related accidents of employees	2.05	1.88
Rate of recordable work-related accidents of nonemployees	7.58	9.87
Fatalities from work-related injuries and work-related ill health	2	–
of which fatalities of employees	–	–
of which fatalities of nonemployees	–	–
of which fatalities of value chain workers	2	–

[1] The health and safety data is based on number of employees (total headcount), including casual employees (seasonal employees, apprentices, interns and students).

The metrics for health and safety are applied for the closing date of December 31, 2025, and are based on headcount. Health- and safety-relevant data is collected in a central reporting platform for employees, including casual employees (seasonal employees, apprentices, interns and students) and nonemployees, when incidents occur. The information is then reviewed and validated by a central team to ensure its accuracy and completeness.

Compensation metrics [S1-16]

The Group-wide analysis of the unadjusted gender pay gap is an element to enable objective compensation structures and equal pay across genders. Our unadjusted gender pay gap in 2025 was 1.32% (2024: 2.14%[37]).

The annual total compensation ratio was 53.3 in 2025 (2024: 52.8). The annual total compensation ratio shows the factor by which the annual total compensation of the median employee would have to be multiplied to match the annual total compensation of the best-paid employee.

The unadjusted gender pay gap and the annual total compensation ratio are based on the closing date December 31, 2025. Both the unadjusted gender pay gap and the total compensation ratio are calculated based on total labor costs, which are calculated by multiplying the base salary by certain factors. These factors help determine the country- and salary-level-specific variable compensation components. Annual total compensation thus includes the base salary, short- and long-term variable compensation (STI and LTI), company car, pension, additional benefits, social insurance and insurance policies. That includes all companies connected to the global human resources system whose compensation data is administered using that system, covering about 98% of our employees.

Incidents, complaints and severe human rights impacts [S1-17]

All Bayer Group employees are obligated to report material compliance violations. Employees can use our global Speak Up Channel. This is a secure channel that gives everyone, including the public, the opportunity to report alleged compliance violations confidentially (and, where permitted by local law, anonymously). Employees can directly contact Bayer's compliance department via the email address Speak.up@bayer.com.

[37] 2024 figure restated (reported in 2024: 3.46%). For more information on the restatement, please see the section "Disclosures in relation to specific circumstances [BP-2]" in Chapter A 4.1 General Information on the Sustainability Statement.

In 2025, there were 101 entries made into Bayer's case management system in the Fairness and Respect at Work category (2024: 148). This category encompasses the issues of discrimination, sexual harassment and bullying, although it is sometimes difficult to distinguish between these topics and there are overlaps. Moreover, our employees submitted a total of 621 grievances (including anonymous grievances) through our general Speak Up Channel (2024: 570 grievances through our externally operated Speak Up Channel). This total comprises grievances via all contact options of our Speak Up Channel, including notifications via internet, phone and app, as well as via email to our compliance department through Speak.Up@Bayer.com. For more information on our Speak Up Channel, please see Chapter A 4.4.1 Business Conduct. No fines, sanctions or damage payments were imposed in 2025 in connection with incidents in the categories Fairness and Respect at Work, Working Conditions, Equal Treatment for All, and Other Work-Related Rights (2024: €0).

There were no severe incidents in connection with human rights in 2025 (2024: 0). Therefore, no fines, sanctions or damage payments were imposed in connection with severe incidents in connection with human rights violations in 2025 (2024: €0).

The metrics on incidents, grievances and severe human rights violations are based on annual figures for 2025. The data for employees also includes casual employee groups (seasonal employees, apprentices, interns and students). To identify human rights violations, the information from the grievance management system and the internal risk-based control measures of our internal HSE auditors were taken into account. In addition, cases that are brought to our attention directly via other sources, such as inquiries from authorities, cases from the media or grievances from nongovernmental organizations, are also taken into account.

4.3.2 Workers in the Value Chain

The professionals in our supply chains are an indirect part of our business model and can be affected by the impacts and risks of our activities. We therefore expect our suppliers to also adhere to our ethical, environmental and social principles.

Strategy

The management of supplier relationships in the upstream value chain is integral to our sustainability strategy.

Material impacts, risks and opportunities and their interaction with strategy and business model related to workers in the value chain [S2.SBM-3]

We exert influence on society and the environment through our procurement activities and supplier relationships. At the same time, potential violations of human rights in the upstream value chain can in general lead to operational disruptions, legal consequences and financial losses. That is why economic as well as ethical, social and environmental principles are anchored in our procurement processes. As regards the subject of human rights, we focus especially on our supply chain because we are affiliated with a large number of internal and external workers.

We take the following types of workers into account when managing the impacts and risks affecting workers in our value chain:

// Workers at Bayer sites who are not part of our own workforce, such as craftspersons performing work at our sites
// Workers of suppliers in Bayer's upstream value chain, such as employees in active ingredient production facilities from which we procure raw materials to manufacture our products, or workers involved in the extraction of minerals or in the agricultural sector

The risk of human rights violations (such as the disregard of the freedom of coalition or association and rights to collective bargaining, child labor, forced labor, discrimination and general occupational injuries) is a fundamental risk in the supply chain and therefore also a risk for us. Insufficient checks of our suppliers could lead to illegal practices such as child and forced labor remaining undetected, which can have significant negative impacts on vulnerable groups such as minors. To identify violations, we examine the information from the grievance management system and analyze the audit reports from Bayer's internal HSE auditors and the audits conducted by external auditors according to the standards of the industry initiatives Together for Sustainability (TfS) and the Pharmaceutical Supply Chain Initiative (PSCI). We also take into consideration cases that are notified directly to us via other means, such as inquiries from public authorities, cases reported in the media or grievances from nongovernmental organizations (NGOs).

A detailed risk analysis is undertaken annually (including in 2025) for the seed supply chain to find out in which countries we need to intensify our efforts to prevent and mitigate human rights risks. The risk of human rights violations in the seed supply chain is generally potentially higher in India, Malawi, Peru, Thailand and the Republic of Zambia.

The risk of violations of the aforementioned human rights is fundamentally a broad challenge in the agriculture industry. For example, child labor is a general problem in various regions, especially Asia-Pacific. We have therefore operated an established internal monitoring and awareness program in the identified high-risk countries for years. For more information on the Child Care Program, please see the section "Management of impacts and risks related to workers in the value chain." There is also a risk of isolated, individual incidents such as production accidents among our suppliers (please see Chapter A 4.2.3 Pollution).

We are also committed to ensuring the safety of our contractors at our own facilities, since they could, for example, be at risk through their work at our plants. To do so, we have created a program for contractor and visitor safety to integrate holistic safety management policies and define a common approach to managing risks in connection with contractors.

The focus is on four elements:

// Training of our managers to ensure competent oversight
// Selection and classification of contractors according to potential HSE risks
// Pre-job activities, including site induction and on-site registration, compliance management and coordination/communication
// Assessments during and after work to assess and evaluate contractor adherence to our HSE processes

Management of impacts and risks related to workers in the value chain

Through our double materiality assessment, we have identified material impacts and risks related to the monitoring of our suppliers and adherence to human rights. Monitoring gaps could lead to undetected illegal practices such as forced and child labor, as well as health and safety problems, which in turn can result in potential human rights violations in our value chains, operational disruptions, as well as legal and financial consequences.

There is also a risk of human rights violations when clinical trials are outsourced, which means compliance with relevant standards and the appropriate transparency regarding the conduct of scientific studies is extremely important. We publish information on our standards for conducting clinical trials, which apply both to us and to clinical research organizations (CROs) contracted by us, in Chapter A 4.3.4 Consumers and End-Users, particularly in the section "Ethical standards for conducting clinical trials in drug development." For information on our disclosure measures to ensure transparency of clinical trials, please see the section "Disclosure measures to ensure transparency of clinical trials" in Chapter A 4.3.4 Consumers and End-Users.

In general, financial risks can arise when human rights violations take place within our value chains or our suppliers violate sustainability-related provisions of the Bayer Supplier Code of Conduct. We therefore consider effective management of these aspects to be very important.

Policies related to value chain workers [S2-1]

Through our Bayer Supplier Code of Conduct, our Human Rights Policy and guidelines on safety at our sites, we want to minimize the potential impacts and risks related to workers in our value chains.

Our Bayer Supplier Code of Conduct

To counter human rights violations in our value chains, our Bayer Supplier Code of Conduct stipulates requirements for suppliers as regards human rights.

We want to respect the human rights of all workers in the upstream value chain and work to ensure that

// Suppliers respect the human rights of their employees, local communities and vulnerable people, and treat them with dignity and respect and
// Suppliers take appropriate precautions to ensure the health and safety of their employees, customers, visitors, contractors and other persons who could be affected by their activities

In addition, our comprehensive global guidance document on the Bayer Supplier Code of Conduct provides concrete examples of good practices and benchmarks that suppliers can use, as well as references such as the regulatory frameworks and standards governing our sustainability efforts.

The Bayer Supplier Code of Conduct and the related guidance document contain the main expectations regarding the topics of protection against child labor, freedom from slavery, serfdom and forced labor, fair and favorable working conditions, right to freedom of association, and responsible management of resources. For more information on the Bayer Supplier Code of Conduct, please see the section “Holistic policies for managing material sustainability matters [MDR-P]” in Chapter A 4.1 General Information on the Sustainability Statement.

Human rights due diligence

In our Human Rights Policy, we state that we are committed to respecting human rights in the supply chain, and that we work with a human rights due diligence approach based on the UN Guiding Principles on Business and Human Rights (UNGPs), the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO) and the OECD Guidelines for Multinational Enterprises. We take steps to ensure human rights are respected both within our own company and along our entire value chain, and thus as regards our suppliers and their employees. The safety of clinical trials conducted in-house or by clinical research organizations (CROs) contracted by us is also of particular importance to us. Research conducted on humans is subject to strict scientific and ethical principles and uniform global standards. These standards are followed in compliance with legal requirements as well as local and international law. Corporate policies, processes, and management and monitoring systems are in place to govern the implementation of human rights standards. We are aware that the implementation of human rights due diligence is a process that must be continuously adapted and improved.

Guided by our human rights strategy and Group-wide management systems, our due diligence process comprises a declaration of principles, risk identification and assessment processes, prevention and mitigation measures, remedial measures, and measures for determining effectiveness and reporting, along with access to grievance mechanisms. In this way, we respect the obligations of internationally recognized standards such as the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. We have no indications of notifications in 2025 of noncompliance in our value chains with the international frameworks that we take into account.

Engagement with workers in the value chain takes place indirectly at the global level through dialogue with supplier representatives, and directly both through notifications to our grievance mechanisms and at the site level through conversations with employee representatives of our suppliers or the employees themselves.

We use a risk analysis to identify potentially detrimental impacts of our business activity on human rights throughout our value chain. In doing so, human rights risks are identified, evaluated and prioritized, from an overarching risk analysis for the entire company to detailed analyses in selected areas. One of these areas is Procurement, which conducts a detailed risk analysis to also evaluate the potentially detrimental impacts on our suppliers' employees.

Our risk analysis is aligned with the Chemie^3 standard of the German chemical industry. The analyses are conducted at least once per year and on an ad hoc basis. The results of this human rights risk analysis are communicated to relevant internal decision-makers, such as the Board of Management, the Supervisory Board and the heads of the affected business areas, and, in cases where the threshold values are exceeded, incorporated into the Bayer risk portfolio of our Group-wide, integrated risk management system. There, decisions on risk mitigation measures are also documented. The risk portfolio is regularly reviewed by the Assurance Committee. For more information on our Human Rights Policy, please see the section "Holistic policies for managing material sustainability matters [MDR-P]" in Chapter A 4.1 General Information on the Sustainability Statement.

Safety at our sites for workers in our value chain

It is very important to us to take into account the interests of workers potentially affected by impacts of our activities. To prevent health and safety problems at our sites and thus also minimize the risk for contractors in our own operations, we issue permits for hazardous work. The "work permit for hazardous work" process describes our risk management approach in connection with dangerous work at our sites. The necessary safety measures are ensured prior to, during and following the performance of work, and all activities with a potentially heightened risk in a unit or at a site that require a permit are discussed with the supplier, implemented, reviewed and assessed in a controlled manner. Implementation should take place safely and with the necessary flexibility to account for the specific needs of the sites or units. This includes work that may involve risks that can have a higher-than-normal potential to cause severe injury, death or damage to property or the environment and that must be appropriately managed using a work permit for hazardous work. The work permit process has been universally used for several years throughout our company to maintain the health and safety of contractors (and our own employees) in routine and nonroutine tasks. The process is mandatory for all sites worldwide as well as all employees, supervised contractual partners and unsupervised contractual partners who carry out potentially hazardous work at one of our sites. The work permits are subject to spot checks during routine occupational health and safety audits conducted at our sites. The work permit process is prescribed by the DGUV (German Social Accident Insurance) and anchored in the HSE Key Requirements Policy, which was approved by the global Head of ESG Management System & Reporting.

Prevention and mitigation through measures related to value chain workers [S2-4]

Grievance management (Speak Up Channel) and supplier audits are available to us as a primary means of identifying corrective and remedial measures. The information from the grievance management system, the audit reports from Bayer's internal HSE auditors and the audits conducted by external auditors according to the standards of the industry initiatives TfS and PSCI are reviewed and analyzed to obtain reference points for corrective and remedial measures.

There are two types of on-site supplier audit:

// Audits conducted by Bayer's internal HSE auditors according to the company's audit protocol
// Audits conducted by external auditors according to the standards of the industry initiatives PSCI and TfS

We also verify compliance with the requirements of the Bayer Supplier Code of Conduct using EcoVadis online assessments.

In addition, cases that are brought to our attention via other sources, such as inquiries from authorities, cases from the media or grievances from nongovernmental organizations (NGOs), are also taken into account. In 2025, individual violations in the areas of disregard for occupational safety and work-related health hazards, prohibition of unequal treatment in employment and withholding an adequate wage were reported in our upstream value chain. No severe human rights violations were observed in 2025.

The audited suppliers are responsible for implementing corrective measures as well as, where necessary, preventive measures for all audit findings identified in the audit. The measures encompass technical aspects (such as installation of local measures), organizational aspects (such as development of and training in a new work procedure), and personal aspects (such as the stipulation of personal protective clothing). Suppliers receive a corrective action plan based on their sustainability performance and are requested to verify their performance improvement via a re-evaluation after a reasonable period. Particularly critical audit reports of suppliers lead to inclusion in the internal Sustainability Supplier Development Program managed by Procurement.

In this program, specific improvement measures are jointly defined with the supplier, and these are documented in an action plan. We support our suppliers with targeted measures to build up knowledge and competency and a structured monitoring process to track activities and progress. The entire audit process is deemed concluded when all agreed corrective measures have been carried out and approved. This involves carrying out spot checks as part of follow-up audits to determine whether agreed corrective measures have been sustainably implemented. We reserve the right to terminate a supplier relationship if no improvement is observed during a re-evaluation.

A total of 123 suppliers were included in the development process in 2025 (2024: 122 suppliers) within the scope of the Supplier Development Program. Some 50 suppliers (2024: 34 suppliers) have already completed the development and conducted a re-evaluation, with a 92% rate of successful improvement (2024: 97%).

Furthermore, we utilize the activities and training offerings of the industry initiatives TfS and PSCI to address and ideally sustainably prevent frequently reoccurring issues such as noncompliance with occupational safety measures. The TfS Academy is a practice-oriented learning environment for suppliers and our procurement employees. It covers topics such as ethical aspects, conflict minerals, waste management and anti-corruption measures.

The purpose of the PSCI is to define, establish and promote responsible supply chain practices, human rights, environmental sustainability and responsible business along the pharmaceutical supply chain, using the PSCI Principles for Responsible Supply Chain Management as a blueprint for responsible practice. In 2023, PSCI introduced the e-learning platform Learnster, which allows organizations to create their own interactive and engaging courses.

Other measures we use to prevent and mitigate our negative impacts on the employees of direct suppliers include:

// The development and implementation of suitable procurement strategies and purchasing practices (demand management, duration of contractual relationships and purchasing prices)
// The integration of expectations into the supplier selection (prequalification based on defined sustainability indicators)
// Obtaining contractual assurance for meeting and implementing expectations along the supply chain (systematic integration of the Bayer Supplier Code of Conduct into the Group-wide electronic ordering system)
// Training and continuing education to assert contractual assurance (training offering through industry initiatives and our own training offerings)

Beyond the general measures, we have drafted a specific measure to protect against child labor. We work to prevent child labor through our Child Care Program. The program is currently established in India, Bangladesh, Thailand, Indonesia and the Philippines. Through our Child Care Program, we continuously raise awareness of the problem of child labor among our suppliers and clearly communicate our requirements. It involves systematic and repeated inspections of individual seed producers in their fields by local Bayer employees during the growing season. Graduated sanctions are applied to our suppliers for noncompliance with our prohibition on child labor. These range from written warnings to termination of the contract in the case of repeated noncompliance. Thanks to a stringent monitoring system and the support provided by local information and educational initiatives, no cases of child labor have been identified in India, Bangladesh, Indonesia, the Philippines and Thailand to date since the 2021/2022 growing season. There are no plans to end the program.

We are currently working on a concept for measuring the effectiveness of our human rights due diligence approach. The design of the individual measurement systems is being further advanced, taking into account established measurement systems such as supply chain monitoring.

Processes for engaging with value chain workers about impacts [S2-2]

Although we currently do not have a general process for direct engagement with value chain workers, we want to perform due diligence for constructive stakeholder involvement and therefore strive to comprehensively understand the interests and perspectives of workers in our value chain. Our direct dialogue with suppliers and other stakeholders helps us to develop our stakeholder management concept.

We also regularly engage in dialogue with stakeholders on the topic of human rights and actively participate in committees and initiatives established to ensure their observance. We do this, for example, in the corresponding working groups of econsense, where we have overseen the themes of human rights and industry since 2022, and participate in the Business for Social Responsibility (BSR) initiative. As part of such initiatives, we discuss best practices, challenges and experiences in implementing human rights and the UNGPs with the member companies from various industries.

Continuously raising awareness of child labor in the agriculture sector requires extensive measures and the involvement of various stakeholders. Against this background, we joined with other seed companies back in 2019 to establish the Enabling Child and Human Rights with Seed Organizations (ECHO) initiative in India, a multi-stakeholder forum for the promotion of children’s rights and decent work (such as fair wages, as well as healthy and safe working conditions).

Processes to remediate negative impacts and channels for value chain workers to raise concerns [S2-3]

We pursue various approaches to prevent and mitigate potential negative impacts on workers in the value chain and thus attempt to indirectly improve the working conditions of workers in our supply chain. One approach is the grievance mechanism for raising concerns through our global Speak Up Channel. The Speak Up Channel is open to both our own employees and any third party, such as workers in the value chain, who would like to report a potential compliance violation. This is defined in the Bayer Supplier Code of Conduct, which is a part of each supplier agreement. Furthermore, suppliers

are encouraged by the Bayer Supplier Code of Conduct to offer their own grievance mechanism. This applies irrespective of whether the third party has a business relationship with us or whether the company's own rights are affected. For more information on the grievance mechanism, please see the section "Processes to remediate negative impacts and channels for own workers to raise concerns [S1-3]" in Chapter A 4.3.1 Own Workforce and the section "Corporate culture and business conduct policies [G1-1]" in Chapter A 4.4.1 Business Conduct.

In accordance with legal obligations, such as the German Supply Chain Due Diligence Act (LkSG), and our own efforts to continuously improve existing systems, a functionality and accessibility test was carried out in 2025 for Bayer's grievance mechanism, the Speak Up Channel. The test focused on countries with a generally high human rights risk and confirmed the proper and intended function of the grievance mechanism overall. At the same time, further improvement potential was identified that is now being taken into account.

A conclusive and comprehensive evaluation of the degree of trustworthiness of the grievance procedure from the viewpoint of employees in the supply chain is not practicable due to the number of people who can access the tool.

Metrics and targets related to value chain workers

We are currently developing potential Group-oriented targets related to workers in the value chain, and this process is still ongoing. We conduct sustainability audits of our suppliers, for example, to nonetheless keep track of impacts and risks affecting workers in our value chain. For more information, please see "Prevention and mitigation through measures related to value chain workers [S2-4]."

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities [S2-5]

It is important to us to take into account the interests of those potentially affected by our activities. We want to perform our due diligence with regard to constructive stakeholder involvement and are working on a concept that incorporates the interests of affected parties. Here we are cooperating with, among other parties, representatives of our suppliers so that we can implement appropriate targets and metrics in the future. We monitor the effectiveness of our concepts and actions through the supplier audits mentioned above.

4.3.3 Affected Communities

It is important to us to take into account the impacts on affected communities according to ESRS when it comes to assuming social responsibility and fostering trust. Through sustainable action and active risk management, we can minimize negative consequences and establish long-term relationships.

Strategy

We are committed to systematically analyzing the impacts of our business activities on affected communities and implementing suitable protective measures.

Material impacts, risks and opportunities and their interaction with strategy and business model [S3.SBM-3]

The following communities may be impacted by possible consequences of our own operations or those of our partners in the value chain:

// Communities that live or work near Bayer's operating sites, as well as communities that live further away if any impacts have long-distance effects (for example, through sites that discharge directly to flowing waters)
// Communities along our value chain (for example, those affected by the operations of our suppliers' facilities or located at the endpoint of the value chain e.g. location where agricultural products are harvested)

In principle, each of these communities could be affected differently by the negative impacts of our business activities. Due to the heterogeneity of our business activities and the location of our sites, an understanding is developed at the sites of the extent to which affected communities with certain characteristics could be impacted to a lesser or greater degree. The sites carry out risk analyses and, in doing so, must take into account their potential impact on the affected communities within their scope of action.

Possible impacts on affected communities can be systemic or individual. For example, the consumption of natural resources in our value chains can restrict access by local communities to critical resources and thus presents a systemic problem. Furthermore, incidents in our operations that can lead to air, water and soil pollution have individual impacts that could impair access by the community to important resources.

Management of potential impacts on affected communities

Through our double materiality assessment, we identified impacts that could have consequences for the communities near where our business activities take place. Thus, the excessive consumption of natural resources in the value chain could restrict local communities' access to basic resources for elementary needs or livelihoods, for example with regard to drinking or irrigation water.

Furthermore, potential incidents in our own operations that cause pollution (of air, water and soil) could restrict access by the community to basic resources for elementary needs and livelihoods (such as drinking or irrigation water). These findings underscore the need to responsibly manage natural resources and take into account the needs of the affected communities.

In 2024, a grievance pertaining to affected communities was submitted by six nongovernmental organizations (NGOs) to the German National Contact Point of the OECD. The grievance is entitled "Human Rights and environmental impacts of Bayer AG's genetically modified soy seeds and glyphosate-based pesticides in Argentina, Bolivia, Brazil and Paraguay." In essence, the grievance related to allegations that in some regions we had not undertaken sufficient steps in our business practices to comply with environmental standards and avoid negative impacts on the local population. We reacted to this grievance and released a statement. The National Contact Point has not yet decided whether to accept the grievance or whether the submission by the nongovernmental organization provides sufficient cause to initiate voluntary mediation proceedings. Furthermore, there were no indications of serious human rights violations, cases of noncompliance with the United Nations Principles on Business and Human Rights, or other complaints according to the OECD guidelines for multinational companies.

Policies related to affected communities [S3-1]

Our Human Rights Policy and the Bayer Supplier Code of Conduct are at the center of our concepts and policies to mitigate the impacts and risks for the affected communities. However, as potential impacts on affected communities are rooted both in the value chain and in unforeseen environmental incidents at our sites, we attempt to mitigate these potential impacts where they could occur. These corresponding policies and measures pertain especially to the areas of pollution, water use and waste management.

Human rights requirements from Bayer's Human Rights Policy and the Bayer Supplier Code of Conduct

Through our Human Rights Policy, we undertake to responsibly manage resources and take into account the needs of affected communities. Through our Bayer Supplier Code of Conduct, we also obligate our suppliers to responsibly manage resources and take into account the needs of affected communities. The Bayer Human Rights Policy and the Bayer Supplier Code of Conduct therefore both include the commitment to respect human rights in all business activities worldwide.

We endeavor always to act in accordance with national legislation. Where discrepancies exist between national law and international standards, we align ourselves with the more stringent standards. Our commitments pertain to respect for human rights along the entire global value chain and also include the members of local communities. For more information on our Human Rights Policy and the Bayer Supplier Code of Conduct, please see the section “Holistic policies for managing material sustainability matters [MDR-P]” in Chapter A 4.1 General Information on the Sustainability Statement.

The inclusion of local communities usually occurs at the site level. For the issue of water stress, for example, this takes place through joint local projects (please see the section “Management of impacts and risks related to water scarcity resulting from water consumption” in Chapter A 4.2.4 Water and Marine Resources). Due to the heterogeneity of the sites and the circumstances in which they operate, there is no general approach for including local communities that is globally binding for all sites. As a result, there are no generally applicable and standardized measures to remedy impacts on human rights. Suitable measures are decided on and implemented at the site level.

Reducing the impacts of accident-related pollution at our own sites on communities
To protect surrounding communities, we want to avoid accidents that impact the quality of air, water and soil. Our Health, Safety, Environment (HSE) Management and HSE Key Requirements Policy is therefore geared toward preventing accidents associated with pollution that could occur due to unforeseen events within the scope of our business activities. For more information on our Health, Safety, Environment (HSE) Management and HSE Key Requirements Policy, please see the sections “Holistic policies for managing material sustainability matters [MDR-P]” in Chapter A 4.1 General Information on the Sustainability Statement and “Managing incidents through the Health, Safety, Environment (HSE) Management and HSE Key Requirements Policy” in Chapter A 4.2.3 Pollution.

Protecting water as a community resource at our own sites
Our Water Policy shows how we want to protect water resources and improve water use efficiency both internally and externally. Our goal is to optimize water management in our operations, involve our suppliers, develop innovative solutions for our customers, and support municipal projects and the affected communities. This is how we want to ensure affected communities’ access to important resources. For detailed information on our Water Policy to avoid water stress, please see the section “Our water management strategy to manage and mitigate water stress” in Chapter A 4.2.4 Water and Marine Resources.

Managing waste to reduce impacts on affected communities near our own sites
The Bayer Health, Safety, Environment (HSE) Management and HSE Key Requirements Policy governs how we deal with waste through comprehensive waste management practices. The policy addresses the renunciation of the use of new resources, recycling wherever possible, and the safe and environmentally compatible disposal of unavoidable waste to protect affected communities. For more information on the Health, Safety, Environment (HSE) Management and HSE Key Requirements Policy, please see the section “Promoting waste management through the Health, Safety, Environment (HSE) Management and HSE Key Requirements Policy” in Chapter A 4.2.6 Circular Economy.

Actions related to affected communities [S3-4]
With our efforts to reduce potential negative impacts at the source, such as effective water management, waste management and the integration of very strict safety practices in our facilities, we want to help ensure that local communities are adequately protected. Apart from the actions described below, we currently do not implement additional overarching measures with specifically allocated budgets or effectiveness measurements in the area of affected communities. Our focus is on continuously improving existing standards and practices to ensure that we act responsibly and conserve resources.

More economical water use in the downstream value chain through direct seeded rice
Rice is one of the most important staple foods. The irrigation of rice crops is responsible for up to 43% of global freshwater use in irrigation, which could lead to challenges for affected communities such as water scarcity. One of the most promising solutions to support more sustainable rice production is direct seeded rice (DSR). We are working on the premise that this technologically driven and less resource-intensive cultivation system can reduce water consumption in rice growing by up to 40%, which is why we promote the use of direct seeded rice. For more information, please see the section "Promoting water-efficient cultivation systems" in Chapter A 4.2.4 Water and Marine Resources.

Integrating health, safety and environmental practices in our operations
To prevent accidents effectively, we have developed a comprehensive package of measures centered around safety in our operations and our value chain. These measures are designed to impact affected communities by preventing pollution and the resulting negative impacts that jeopardize communities' access to important resources, right from the point of origin. For more information on our measures to address pollution, please see the section "Integrating health, safety and environmental practices in all global operations" in Chapter A 4.2.3 Pollution.

Water management to avoid water stress for affected communities
As part of our water strategy, we are currently establishing water management systems at all relevant sites, including those in regions affected by water scarcity. This is how we want to avoid, among other impacts, restricted access to water for affected communities. The establishment of the water management systems at all sites is scheduled for completion by 2030. For more information on our measures for efficient water management, please see the section "Establishment of a water management system for sites in water-scarce regions" in Chapter A 4.2.4 Water and Marine Resources.

Reducing potential impacts on communities through our waste management
We pursue a comprehensive approach to waste management, partly to protect affected communities from waste-related consequences. Our approach is commensurate with our Health, Safety, Environment (HSE) Management and HSE Key Requirements Policy. For more information on our management of waste, please see the section "Management of waste-related impacts by our waste management" in Chapter A 4.2.6 Circular Economy.

Processes for engaging with affected communities about impacts [S3-2]
We do not currently pursue a generally applicable and standardized approach for the involvement of affected communities. The inclusion of affected communities takes place at the site level.

Processes to remediate negative impacts and channels for affected communities to raise concerns [S3-3]
We pursue various approaches to prevent and mitigate any negative impacts we might have on affected communities. One approach is our global Speak Up Channel, the grievance mechanism for raising concerns. For more information on the grievance mechanism, which is globally available to any person, please see the section "Processes to remediate negative impacts and channels for own workers to raise concerns [S1-3]" in Chapter A 4.3.1 Own Workforce and the section "Corporate culture and business conduct policies [G1-1]" in Chapter A 4.4.1 Business Conduct.

In general, all persons outside the company, including impacted communities worldwide, can access the Speak Up Channel, which we also make available via our website. The large number of persons who can access the channel presents a significant challenge for us. A conclusive evaluation of the degree of trustworthiness of and satisfaction with the grievance process from the viewpoint of the affected communities is therefore not currently possible.

Metrics and targets related to affected communities

As our activities to reduce impacts on affected communities are based on the reduction of the causal aspects in the area of pollution, water use and waste management, we have not determined any specific parameters and targets for the affected communities.

Targets related to affected communities [S3-5]

We have not defined any specific metrics and targets for affected communities. We would nonetheless like to monitor the effectiveness of our concepts and actions relating to the material impacts and risks for affected communities. Our efforts are therefore focused on reducing the underlying impacts in the areas of pollution, water use and waste management. For more information, please see Chapter A 4.2.3 Pollution, Chapter A 4.2.4 Water and Marine Resources and Chapter A 4.2.6 Circular Economy, respectively.

4.3.4 Consumers and End-Users

For us, product stewardship means that our products meet the highest quality standards and are safe for people, animals and the environment when used as intended. Not only do the desired properties of substances and products need to be taken into consideration, but so do the possible risks for people and the environment.

Strategy

Product safety and stewardship are an important part of our strategy. We comply with legal requirements, and our voluntary commitment and internal standards go beyond these in a variety of areas.

Material impacts, risks and opportunities and their interaction with strategy and business model related to consumers and end-users [S4.SBM-3]

Through our double materiality assessment, we identified several impacts associated with the social inclusion of consumers and/or end-users, the personal safety of consumers and/or end-users, and information-related impacts for consumers and/or end-users. We manage these impacts through comprehensive policies and actions that are explained in the following chapter. All consumers and end-users who benefit from these impacts and/or could be affected are taken into account here.

The following consumer and/or end-user groups are considered in this chapter:

// Consumers and/or end-users of products that may inherently have the potential to be harmful to people and/or to increase the risk of chronic diseases
// Consumers and/or end-users of services that potentially negatively impact their rights to privacy, protection of their personal data, freedom of expression and nondiscrimination
// Consumers and/or end-users who are dependent on accurate and accessible product- or service-related information, such as manuals and product labels, to avoid the potentially damaging use of a product or service
// Consumers and/or end-users who are particularly vulnerable to impacts on their health or privacy or to the effects of marketing and sales strategies, such as children or financially vulnerable individuals

In our Crop Science Division, we market our products primarily via external sales partners or directly to farmers. Smallholder farmers in particular play a major role in global agriculture and food security, as they often feed much of the local population in their respective regions. We understand that the challenges these farms must contend with are different from those facing larger commercial farming enterprises. Their yields are often lower, for example, because they often have no access to high-quality crops, markets and practical knowledge about safer, more productive and environmentally friendly cultivation methods. Our positive impacts can affect smallholder farmers in particular; for example, we can help improve local socioeconomic conditions by improving access to products and services.

At Pharmaceuticals, our prescription products are primarily distributed to customers through wholesalers, pharmacies and hospitals. Consumer Health products are generally sold to our customers through pharmacies and pharmacy chains, supermarkets, online retailers and other large and small retailers. Patient groups with an increased risk are groups of people who have a higher health risk and a higher likelihood of being unrepresented, for example in clinical trials, due to various factors. We understand that pregnant women and nursing mothers, children, minorities, people with disabilities, people with rare diseases and senior citizens may be among these groups.

Our potential negative impacts can occur in a systemic or individual context. One example of systemic potential impacts would be if we were to negatively influence the affordability of pharmaceutical products due to high prices. Individual incidents could also occur due to the improper use of products by end-users. We recognize that financial risks can arise due to negative impacts, such as regulatory restrictions resulting from the improper use or misuse of crop protection products. The counterfeiting or imitation of Bayer products can lead to the sales revenue losses and loss of reputation. Opportunities from our positive impacts can also result in connection with consumers and end-users, such as the development of new business models focused on demographic change and the effects that climate change has on health, as well as the use of scientific breakthroughs for innovative therapies in the pharmaceutical industry.

We contribute to the well-being and safety of consumers and end-users by striving to improve access to information, ensuring compliance with regulatory requirements and providing clear instructions on the correct use of our products through suitable packaging. We also positively impact women's health, gender equality and socioeconomic development by improving the availability of contraceptives. As access to everyday healthcare and self-care is still insufficiently developed in many communities, due to various factors including financial obstacles, we help to ensure with our product offerings that people in underserved communities in particular have access to self-care solutions in order to improve their health outcomes and living conditions. Our Crop Science Division also offers solutions that help our customers deal better with challenges. For example, we help to improve food security through the availability of seeds and affordable food products and promote digitalization and the use of innovative technologies in agriculture.

Management of impacts and opportunities regarding the social involvement of consumers and/or end-users

Through our double materiality assessment, we have identified impacts related to the social inclusion of consumers and/or end-users, particularly through access to products and services. Our innovative strength gives us the opportunity to develop new products (such as pharmaceuticals) and to drive the development of business models (e.g. with a focus on demographic change) that can have positive impacts on society and the environment.

Our business model also has the potential to have a positive influence on agriculture through access to products and services. Our innovations – such as more efficient, more climate-resilient, less land-intensive crops – help to feed a growing world population. Through our efforts to advance both digitalization and the responsible application of technologies, we enable farmers, particularly smallholder farmers in low- and middle-income countries (LMICs), to increase their yields, improve the resilience of their crops and optimize the utilization of crop protection products. We want to increase the accessibility and availability of seeds, plants, food and nutrients through our Crop Science offerings. We support smallholder farmers through our products, services and partnerships to improve both food availability in rural communities and the farmers' socioeconomic status. We also participate in initiatives to provide female farmers in LMICs with access to agricultural knowledge and the corresponding inputs.

In the healthcare sector, too, our products and services (such as through the availability of contraceptives) can have a positive impact on women's independence, education and careers, which ideally helps to strengthen their role in society. This, in turn, can positively affect their families, communities and society at large. At the same time, we could reduce the affordability of medicines for larger, less wealthy parts of society through potentially high pricing.

Policies related to the social involvement of consumers and/or end-users [S4-1]

By promoting access to products, services and healthcare, we want to support the social involvement of consumers and/or end-users.

Access to products and services through intellectual property protection

The Code of Conduct underscores the relevance of our innovation capability. It is therefore established in the Code of Conduct that we protect the value of our research and development activities and the reputation of our company and our brands. At the same time, we respect the rights and claims of third parties.

Industrial property rights, including patents, business secrets, brands, samples and plant variety rights, along with supplementary protection certificates, are an important part of the innovation process, especially when associated with significant capital expenditures, specialized research and a high risk of failure. This is the case in areas such as plant breeding, pharmaceutical research and development, or crop protection R&D.

The Code of Conduct is supplemented by our intellectual property (IP) principles, which describe our commitments in connection with the protection of intellectual property rights. It is established there, for example, that we make use of industrial property rights to promote cooperation and enable partnerships that are beneficial to global health and sustainable food security. The principles apply to all Bayer employees and are discussed at least twice a year at internal workshops of our global IP function, which holds responsibility for this issue.

The value of Bayer's portfolio depends on intellectual property protection according to the TRIPS agreement of the World Trade Organization (WTO), which demands certain measures to ensure an appropriate duration of product protection to sufficiently incentivize the development of innovative products. We advocate for high standards with regard to the protection of industrial property rights and capital expenditure protection that incentivize the development and manufacture of, and trade with, innovative products to enhance their accessibility within the framework of international coordination according to the TRIPS agreement. The IP principles are in line with the United Nations Guiding Principles on Business and Human Rights (UNGPs). No cases of noncompliance with the UNGPs were reported in 2025. For more information on our Code of Conduct, please see the section "Holistic policies for managing material sustainability matters" [MDR-P]" in Chapter A 4.1 General Information on the Sustainability Statement.

Improving the social integration of smallholder farmers through our sustainability strategy

Our products and services can help farmers worldwide to increase production and thus feed a growing world population while consuming fewer natural resources. Farming is often the only source of income for many people in low- and middle-income countries. We want to contribute toward fighting poverty there through our engagement with smallholder farmers.

This strategy is monitored through various actions, including particularly by measuring our progress in attaining our goal of supporting 100 million smallholder farmers by 2030. For more information on our 100 million targets, please see the section "Targets for managing material negative impacts, advancing positive impacts, and managing material risks and opportunities [S4-5]."

Our strategy to empower smallholder farmers is embedded in our regional commercial strategies and entrusted to local management and the function responsible for sustainability and strategic engagement at Crop Science. The strategy is oriented toward the United Nations' global Sustainable Development Goals (SDGs), which should be achieved by 2030. The strategy is in line with the United Nations Guiding Principles on Business and Human Rights (UNGPs). No cases of noncompliance with the UNGPs were reported in 2025.

Our sustainability strategy for empowering smallholder farmers takes account of the interests of all relevant stakeholders, including the farmers themselves, governmental authorities, nongovernmental organizations, market participants and society in general, to ensure effective and sustainable implementation.

Our strategy to empower smallholder farmers is publicly available on our website.

Our strategy for improving access to healthcare
As a pharmaceutical company, we believe we have a responsibility to improve access to healthcare and have developed a strategy to achieve that. Above all, this includes access to contraception methods and self-care products.

Responsibility for implementing the strategy to improve access to healthcare lies with the heads of the Pharmaceuticals and Consumer Health divisions, both of whom are members of the Board of Management of Bayer AG due to their positions. Improving access to healthcare remains one of the most important and, at the same time, one of the most complex global development challenges, as reflected in the third Sustainable Development Goal (SDG) of the United Nations. The strategy is in line with the United Nations Guiding Principles on Business and Human Rights (UNGPs). No cases of noncompliance with the UNGPs were reported in 2025.

We cooperate closely with various public sector partners to measure the results and impacts that our activities have on improving patients' access to healthcare. This is reflected, for example, in our cooperation with the World Health Organization (WHO) and other organizations to eradicate neglected tropical diseases (NTDs), as well as in our collaboration with the German Society for International Cooperation (GIZ), the Ghana Heart Initiative and other programs to improve the effectiveness of cardiovascular treatment in Ghana, and the Challenge Initiative to improve women's access to contraceptives and family planning resources.

We have entered into a collaboration with the WHO Foundation to build countries' capacities to include self-care interventions as part of universal health coverage, with a focus on underserved population groups in low- and middle-income countries.

We have been supporting global efforts to transition prenatal care policy for pregnant women from iron and folic acid (IFA) supplementation to the WHO-backed UNIMMAP multiple micronutrient supplementation (MMS) formula through our strategic partnership with the global health NGO Vitamin Angels since 2020, reaching more than 20 million women and babies with access to MMS free of charge. We will continue to lend our expertise in prenatal manufacturing and education to support country roadmaps for the transition from IFA to MMS.

We have joined forces with the Novartis Foundation to strengthen and scale up the CARDIO4Cities initiative. This proven model can reduce heart attacks in cities by strengthening heart health systems with interventions and policy evolutions chosen and driven by local city governments.

Information pertaining to our strategy to improve access to healthcare is publicly accessible.

Actions related to the social involvement of consumers and/or end-users [S4-4]

To promote the social inclusion of consumers and/or end-users, we have developed measures to enable access to products and services. No severe issues or incidents were reported in 2025 in connection with the human rights of our consumers and/or end-users.

Innovations and applications for our concept of regenerative agriculture

We aim to transform agriculture by driving forward a more sustainable food system guided by our concept of regenerative agriculture. Our concept of 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.

We are an innovation leader in the agricultural sector, with over €2 billion invested annually by our Crop Science Division in research and development and a strong global presence. Our research and development activities are not subject to any specified time horizon, but rather are continuous measures as part of our business model. The effectiveness of our research and development activities is reflected in our innovation pipeline.

Supporting smallholder farmers through our product and service portfolio

To reduce business risks for all partners in the value chain, including smallholder farmers, we are successively expanding our product and service portfolio for these farmers amid innovative business models and digital solutions. These include solutions from the areas of digital farming and market access, a differentiated product portfolio, biotechnological solutions and the formation of partnerships along the value chain. The continuous development of solutions tailored to the needs of smallholder farmers is crucial to help more of these farmers achieve better harvest yields. Through these solutions, we enable access to high-quality seeds for key crops that can better withstand difficult environmental conditions and insect pests, as well as to affordable and more effective crop protection products.

In impact studies, independent experts use surveys of randomly selected study participants to determine the impact of the programs on the livelihoods of smallholder farmers. We have conducted longitudinal studies on the social impacts of three programs in key smallholder farmer regions from 2022 through 2024, with the farmers being surveyed during the 2022-2023 growing season and a selection of them once again a year later. The majority of participants confirmed an increase in yields and farming income as well as a better way of farming and an improved quality of life since joining the programs. Allocated resources are spent particularly to expand our product and service range for smallholder farmers and to form strategic partnerships.

Initiatives to enable access to self-care

For more than half of the world's population, basic health services are not effectively accessible or affordable. We are investing in making science-based self-care available and accessible for all, with a particular focus on an economically and medically underserved population. We leverage our trusted brands, portfolio of products, operational footprint and cross-sector partnerships to improve the full self-care value chain and ecosystem:

// Access to essential formulations that address key needs for people who live on a low income, as informed by dedicated medical and consumer insights: prenatals, cardiovascular disease, allergy, pain, digestive health, fatigue, and cough & cold
// Accessible format and pricing that fits end-consumer health expenditure and purchasing preferences, from individual packaging to bulk formats

// Establishment of health distribution channels to reach the consumers in underserved communities in the places where they live, work and shop. This includes independent pharmacies, small family-owned businesses, social marketing companies and specialized distributors that reach second/third tier cities and rural areas, as well as retail stores in the low-cost segment.
// Tailored training for healthcare professionals who serve the end-users (e.g. physicians, pharmacists, midwives, community health workers etc.), and for consumers to help them better understand therapeutic areas and safe treatment options
// Advocacy for inclusion of self-care as a pillar in the healthcare ecosystem to help reduce costs for governments and individuals, as well as improve health and livelihood outcomes

These initiatives represent an important activity in the context of our 100 million targets, and we measure the success of this activity through the attainment of our targets. Our initiatives for access to self-care are not subject to any specified time horizon. For more information on our 100 million targets, please see the section “Targets for managing material negative impacts, advancing positive impacts, and managing material risks and opportunities [S4-5].”

Initiative to enable access to important vitamins and minerals
In line with our mission “Health for all, Hunger for none,” we launched our signature program the Nutrient Gap Initiative (NGI) in 2021 to enable access to essential vitamins and minerals for 50 million people in underserved communities annually by 2030. Through interventions with accessible and affordable nutritional solutions, education and advocacy, the initiative addresses the main barriers to accessing essential micronutrients. In doing so, we leverage our expertise, portfolio and partners, from growing nutritious fruit and vegetables in smallholder farming communities to essential supplementation for all. We have established strategic partnerships to make progress, for example with Vitamin Angels to advance the roll-out of essential prenatal supplements in emerging markets, reaching over 20 million women and their babies since 2020. Furthermore, we collaborate with the social health enterprise reach52 to provide nutrition education to underserved communities, including smallholder farmers.

As the NGI is an important activity in the context of our 100 million targets, we measure its success through the attainment of our targets. For more information on our 100 million targets, please see the section “Targets for managing material negative impacts, advancing positive impacts, and managing material risks and opportunities [S4-5].” Allocated resources are spent particularly on forging strategic partnerships to support the supply of important vitamins and minerals.

Activities to improve access to healthcare
One of our fundamental objectives is to ensure global access by patients to our medicines. Against this background, we have amended the international pricing of our pharmaceutical products and implement programs to reduce all patients’ copayments. Our ambitions include improving access to our prescription products for people in low- and middle-income countries through improved availability and modified drug pricing, as well as through our patient access programs.

For some of our best-selling and most innovative products (Adempas™, Eylea™, Kerendia™, Kyleena™, Mirena™, Nexavar™, Stivarga™, Verquvo™ and Xarelto™), including individual new launches, we have established framework conditions for adjusted, equitable pricing that also account for per capita gross national income and thus enable the establishment of selling prices that reflect the local purchasing power in the respective countries.

Our patient access programs help patients in low- and middle-income countries (LMICs) to reduce the financial obstacles to acute or long-term access to prescription medicines. In this way, we want to not only enable patient access to these medicines but also ensure long-term treatment. We cooperate with insurance providers, charitable organizations and other partners to advance these options. Our patient access programs are developed according to the framework conditions in each country and take account of patient needs, which are supported in various ways, for example through:

// Individual assessment of patients' financial solvency and derivation of a corresponding financing and treatment plan
// Reduction of the financial burden on patients, for example through the combined provision of free and payment-based medicines or the granting of discounts on the original selling price

Our price philosophy approach was initiated in 2020 and is being continuously rolled out worldwide. Our activities and progress in the specific partnerships are tracked and published, partly to ensure the effectiveness of the implementation and results of our actions.

In these approaches, we work together with global and local nongovernmental organizations, governmental authorities, charitable organizations and other partners to determine the correct actions and ensure that they are maximally effective. Our amended pricing and patient access programs improve access to healthcare and reduce negative impacts on consumers and/or end-users. The means of managing material impacts focus in particular on adapted pricing for some of our products.

Management of impacts and risks related to the personal safety of consumers and/or end-users

Through our double materiality assessment, we identified the impacts and risks related to the health and safety of consumers and/or end-users, which are managed through a comprehensive package of policies and actions.

To ensure the safe use of our products by end-users, we generally go beyond the legal requirements, wherever permissible, as regards providing personal safety information in this respect. Despite the use of labels, some end-users do not always use products as intended, which poses a health risk for farmers and patients, as well as a threat to the environment. Moreover, financial risks may arise from the incorrect application of our products or the misuse of crop protection products. Also, there may be revenue losses and loss of reputation if our products become subject to counterfeiting, fraud, misdirection or misuse.

There is also a risk of human rights violations when clinical trials are outsourced, as introduced in Chapter 4.3.2 Workers in the Value Chain. Compliance with relevant standards, transparency regarding the conduct of clinical trials and consideration of human rights, safety and inclusiveness are therefore extremely important – both for us and the clinical research organizations (CROs) contracted by us.

Policies related to the personal safety of consumers and/or end-users [S4-1]

Product safety is a central element of our policies to promote the personal safety of consumers and/or end-users.

Our policy for ensuring the quality and safety of pharmaceuticals

Extremely stringent safety standards for patients and medical professionals apply to pharmaceuticals and medical devices. That is why both the development and the manufacture of pharmaceuticals and medical devices are subject to very strict quality requirements. An important role is played here by our Product Safety and Quality: Reporting Obligations of Employees Policy.

This policy applies to all Bayer products for human use (pharmaceuticals including vaccines, nutritional products, cosmetics, medical devices, combination products and therapeutic aids).

The commitments described in this policy must be complied with by all employees who implement the policy, irrespective of which division or supporting function the employees work for. It must be implemented by all Bayer companies worldwide that hold market approvals or medical device registrations for pharmaceutical or consumer health products, conduct pharmaceutical or consumer health business practices, or perform services for pharmaceutical or consumer health companies. For Bayer products, this policy summarizes the following commitments:

// Commitments to implement safety- and quality-related processes
// Commitments for employees who receive knowledge of safety- or quality-related information
// Commitments for employees responsible for digital activities sponsored by us
// Commitments for employees who conclude agreements with external partners
// Commitments for our legal department

Internal experts and external assessors regularly conduct risk-based audits to verify compliance with the statutory requirements and relevant standards in the development and production of medicines, as well as for registered product specifications. Such audits also cover our subcontracted institutes, service providers, suppliers and contract manufacturing organizations (CMOs). In addition to the internal quality assurance mechanisms, all our sites are regularly inspected by the respective countries' health authorities to verify compliance with the various national and international requirements, and certified according to the respective product category (e.g. through GMP certificates or in the form of an official manufacturing license).

The quality management system of the Pharmaceuticals and Consumer Health divisions is based on internationally recognized standards and applicable legal, regulatory and ethical requirements for all stages of the provision of a pharmaceutical or a medical device – from development to registration, production and distribution. In particular, these standards include the rules for good working practice (GxP) in the development and manufacture of pharmaceuticals – such as Good Manufacturing Practice (GMP), Good Distribution Practice (GDP), Good Clinical Practice (GCP), Good Pharmacovigilance Practice (GVP), ISO certifications such as those for the manufacture of medical devices (e.g. ISO 17025 and 13485), and the guidelines of the ICH (International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use). The quality management system is in line with the United Nations Guiding Principles on Business and Human Rights (UNGPs). No cases of noncompliance with the UNGPs were reported in 2025.

We consider the interests of our stakeholders through continuous dialogue to enable the needs of customers, patients, healthcare professionals and regulatory authorities to be taken into consideration in the development and implementation of our quality and safety strategy.

To maintain the high quality of our pharmacovigilance system, our medical and scientific experts undergo regular training. Furthermore, in line with our Product Safety and Quality: Reporting Obligations of Employees Policy, all Bayer employees are required to undergo training as regards their obligation to immediately report safety- and quality-relevant information to the Pharmacovigilance department.

Product safety and responsible handling of our products
We have specified our principles of responsible product management in the Crop Science Division in our Product Stewardship Commitment, Principles and Key Requirements Policy. Among other issues, the policy stipulates that suitable programs be implemented to train and instruct our employees and customers in the responsible use of our products and services over their entire life cycle. For more information on this corporate policy, please see the section "Product responsibility and responsible marketing at Crop Science as part of our Product Stewardship Policy."

Accounting for potential risks through new technologies and bioethical principles
Our bioethical principles serve as clear, company-wide guidelines for research and development activities, innovations and the utilization of technologies and play an important role in leveraging our material opportunities relating to our innovative strength. Our bioethical principles are based on our business ethics principles and our company values.

They are subdivided into the following six current focal point areas and guide our work from a bioethical perspective:

// Responsible use of gene technologies
// Responsible use of human stem cells
// Responsible use of human biological samples
// Responsible conduct of studies involving humans
// Responsible use of artificial intelligence in the context of human healthcare
// Animal welfare

Accountability for bioethical decisions is anchored in our governance structures, and responsibility for implementing this procedure lies with the R&D heads and upper management in the countries/country groups and divisions at all our sites. We commit to compliance with applicable laws, regulations and international conventions related to bioethics. The strategy is in line with the United Nations Guiding Principles on Business and Human Rights (UNGPs). No cases of noncompliance with the UNGPs were reported in 2025.

We review our high ethical standards and obtain advice from a group of leading experts, including the members of our independent Bioethics Council. This is an independent advisory body without executive powers for business operations that supports all divisions and convenes twice a year to deliberate. The Bioethics Council offers us expertise and consultation in bioethical matters related to research and development innovations in the life sciences. The focus lies on medical issues, bioengineering and artificial intelligence – as well as questions in the context of the discovery, development, production and application of treatment forms and therapies to promote human health – and on agricultural products and services. The Bioethics Council acts in an advisory capacity in assisting us to make bioethics an integral part of research and development activities, analyzes our bioethical guidelines and gives recommendations on strategic changes, examines our progress in implementing our bioethics strategies and guidelines, and counsels us on the most important drivers of current bioethical issues (such as technological progress and societal change) that are of relevance to our work.

As part of a training course dealing with this issue, special bioethical learning resources are offered to our employees, the purpose of which is to create a fundamental understanding of our bioethical values and guiding principles. Our bioethical principles are publicly accessible online on our website.

Ethical standards for conducting clinical trials in drug development
Compliance with ethical standards also plays an important role when developing innovations. With respect to our clinical trials, we strictly align ourselves to the Declaration of Helsinki, an ethical standard in place since 1964 that regulates medical research involving humans. This is stipulated in our Human Rights Policy and also applies to all research institutes (clinical research organizations, CROs) tasked with conducting clinical trials on our behalf. For more information on our Human Rights Policy, please see the section “Holistic policies for managing material sustainability matters [MDR-P]” in Chapter A 4.1 General Information on the Sustainability Statement.

We conduct research in humans according to the strictest medical, scientific and ethical standards. We pay great attention to the well-being, dignity, safety and rights of the patients, and the Chairman of the Board of Management (CEO) is responsible for ensuring this in his oversight of the human rights strategy.

Our trials involving human subjects respect the following four basic ethical principles:

// The self-commitment to consider the benefit for the trial participants or to help others (beneficence)
// The self-commitment to not harm the participants or others (nonmaleficence)
// The self-commitment to treat the participants fairly (justice)
// Respect for the participants' autonomy

Additional statutory regulations, directives and ethical codes supplementing the Declaration of Helsinki have been further developed and introduced worldwide to ensure that the health and safety of participants in clinical trials are the top priority. We follow the Harmonised Guideline on Good Clinical Practice (International Conference on Harmonisation of Technical Requirements for Registration of Pharmaceuticals for Human Use – Good Clinical Practice, ICH-GCP). Its requirements include the deployment of an independent ethics committee for each clinical trial involving human subjects. A clinical trial on our behalf cannot begin without a positive vote from such an ethics committee. The commitment to complying with the ICH-GCP is also included in the agreements with the clinical research organizations (CROs) we commission to conduct clinical trials and this is regularly monitored. Our Human Rights Policy is in line with the United Nations Guiding Principles on Business and Human Rights (UNGPs). No cases of noncompliance with the UNGPs were reported in 2025.

Patient centricity and cooperation with important patient organizations are fundamental to identify and fulfill the extensive needs of a particular population group. To address the various structural and ethical challenges, we are advancing in our continuous efforts to improve and innovate research methodologies and data collection techniques, for example through real-world evidence approaches.

Conducting clinical trials with participants from various demographic groups, for example in terms of ethnicity, gender and age, helps ensure that trial results are applicable to broader patient populations. To ensure diversity and inclusion are foundational in our research and development practices, we consult and partner with a variety of relevant stakeholders, including clinicians, scientists, health and regulatory authorities, ethics committees and patient advocacy groups.

As participation in a clinical trial is voluntary, patients can decide freely whether or not to take part and have the right to discontinue the trial at any time without giving any reasons and without this having any impact on their standard medical care. Patients must be immediately notified by the examining physicians if new findings become known during the trial about benefits, risks or side effects of the trial medication. Pharmaceutical law also prescribes that the sponsor of a clinical trial must provide health insurance for all participating patients. This ensures that compensation is possible if a patient experiences health impairment during the trial or in the subsequent observation period despite all precautionary measures. To protect the collected personal and trial-related data of the participants, all data is encrypted during and after the trial so that the patients' identities remain confidential.

Actions related to the personal safety of consumers and/or end-users [S4-4]

We aim to protect the personal safety of consumers and/or end-users through education, training and transparency measures. In cooperation with our consumers and/or end-users and through continuous monitoring of the use of our products and services, as well as the occurrence of problems, we determine which measures are necessary and appropriate to react to certain actual or potential negative impacts on consumers and/or end-users.

Activities for the responsible use of crop protection products
In accordance with the Product Stewardship Commitment, Principles and Key Requirements Policy, which governs the responsible use of crop protection products, we have developed a plan of action that includes, for example, training programs on the proper use of our products and services. There is no overarching process for measuring the effectiveness of this activity. The use of our products and services and the occurrence of associated problems are, however, actively monitored to identify any need for changes in the labeling, user instructions, formulation or product availability.

If compulsory training measures and accreditation requirements to ensure the safe and responsible use of products and services are inadequate or not in place at all in the countries, we continuously support the responsible use of our products and services by implementing suitable training measures – through our own activities and/or those of industry associations, as well as through cooperation with various stakeholder groups, including governments and advisory services. We focus on training activities in countries where there are no statutory certification requirements for the handling of crop protection products. As a member of CropLife International, we additionally help to train nearly four million farmers in 82 countries in the responsible and appropriate use of crop protection products.

With our Bayer Safe Use Ambassador initiative, we also help to train agricultural students. Our goal is to improve farmers' safety and reduce the environmental impact of crop protection products through knowledge transfer and empowerment. Since 2017, through the initiative, we have partnered with more than 60 universities across Asia/Pacific and Africa. We offer students training in the safe use of crop protection products in cooperation with agricultural universities. Additionally, we have been regularly conducting webinars and online events on the sustainable use of crop protection products since 2020. In the medical sector, we provide physicians and poison control centers with guidance about the hazards, toxicity and treatment of crop protection product poisoning, as well as the treatment of snake bites. Looking ahead, we plan to expand the Bayer Safe Use Ambassador initiative to more universities, countries and regions.

We record and monitor all reported adverse events connected with the use of our products. We also work actively with regulatory authorities and a number of industry stakeholders to offer appropriate measures.

A multi-stakeholder approach is required for effective management. Together with CropLife International, we help to establish capacities, particularly in countries that do not yet have efficient local structures in accordance with the FAO-WHO code. The buildup of capacities encompasses effective structures for risk-based regulatory assessments of existing and innovative technologies, the reporting and management of incidents, training and certification in the safe use of products by farmers/distributors, professional applications (e.g. using drones), the availability and use of personal protective equipment (PPE), empty container management and the sharing of counterfeit protection measures and best practices between regulatory authorities. In the rare case that a product does not satisfy our quality standards (such as packaging problems or contamination), we conduct a procedure to bring about a product suspension, return or recall depending on the specific case. Every two years, general quality performance risks and improvement needs are reported and reviewed together with management within the scope of a compulsory quality management assessment that summarizes how our efforts and corrective measures reduce or mitigate potential quality risks. Funding for managing material impacts goes mainly into the organization of suitable training measures that are designed to ensure the responsible use of our products.

Disclosure measures to ensure transparency of clinical trials
We are fully committed to disclosing information about our planned and ongoing clinical trials. We also publish results of trials in patients and provide free access to this information on the internet, irrespective of whether they are positive or negative for one of our products. There is no systematic process for measuring the effectiveness of this activity.

Public disclosure of clinical trial information is an ongoing measure and performed in line with the position of the global pharmaceutical industry associations laid down in the Joint Position on the Disclosure of Clinical Trial Information via Clinical Trial Registries and Databases.

As a member company of the European and US pharmaceutical federations (EFPIA and PhRMA), we comply with their declared principles on the responsible sharing of clinical trial data, the goal of which is to foster scientific discovery. Increased transparency while maintaining patient privacy is intended to encourage innovation and ultimately benefit patients.

Through our disclosure measures, we support efforts by the European Medicines Agency (EMA) and the European Parliament to further increase the transparency of data from clinical trials, as laid down in the EMA policy on publication of clinical data for medicinal products for human use and the EU Clinical Trials Regulation (EU) No. 536/2014.

We have introduced a monitoring and quality control process to ensure that the high standards for the transparency of clinical trial information for our medicines are fully met and that information on clinical trials as outlined in this policy is publicly disclosed in time and is of high quality. The means of managing material impacts focus in particular on free provision of the results of information on our clinical trials.

Management of impacts related to access to information by consumers and/or end-users

Through our double materiality assessment, we have identified positive impacts related to access to quality information by consumers and/or end-users. We strive to have responsible marketing practices and go beyond the legal requirements, wherever permissible, as regards providing personal safety information in this respect in order to ensure that end-consumers can take individual measures when using our products. Since 1994, we have supported the voluntary Responsible Care™ initiative of the chemical industry and the associated Responsible Care Global Charter. We are also actively involved in the further development of scientific risk assessment through our work in associations and initiatives.

Policies related to access to information by consumers and/or end-users [S4-1]

We manage impacts related to access to information by consumers and/or end-users through our product safety strategy and responsible marketing practices, for example.

Transparency and responsible marketing through rules of conduct and pharmaceutical industry codes
With our rules of conduct on responsible marketing and the Bayer Societal Engagement (BASE) principles, we establish how we interact with various stakeholders worldwide. Through these, we undertake to uphold ethical principles in advertising and communication for all our products and services. We respect the preferences of patients and customers and empower them to make informed decisions. In these BASE principles, which apply to all employees, we also state that we work together with our business partners throughout the value chain and assume responsibility.

Through our Code of Conduct, we also communicate anti-corruption rules that prescribe that Bayer employees may not confer benefits to improperly influence someone's decision, action or opinion. As part of our compliance management system, we register and investigate any suspected violation of our responsible marketing principles.

Sales employees may, for example, lose their entitlement to variable compensation if violations of our principles on responsible marketing that they could have prevented have occurred in their sphere of responsibility. Third parties acting on our behalf in countries with a high corruption risk undergo a separate due diligence process that involves criteria related to anti-corruption. The respective corporate policies and training programs are implemented in the divisions and enabling functions, and general global training measures are supplemented with training courses pertaining to local codes. The respective countries or, in some cases, the central legal department, are primarily responsible for implementing these training measures. Employees with customer contact and/or business responsibility undergo especially intensive training.

We regularly conduct audits to verify conformity with internal compliance rules and external regulations in the area of marketing. The audit program is focused on compliance with local codes and with antitrust and anti-corruption rules by the marketing departments of the divisions and country organizations. Coverage of this issue is achieved by way of an audit cycle that regularly assesses the country organizations, as well as audits of management systems (compliance program audits). The audit plan is regularly discussed with the Board of Management and the Supervisory Board and approved by both bodies.

We also apply industry codes in our marketing and distribution activities. All codes of the International Federation of Pharmaceutical Manufacturers & Associations (IFPMA) serve as a binding minimum global standard for all our human pharmaceutical products in their area of application.

In addition, we observe the codes of the European Federation of Pharmaceutical Industries and Associations (EFPIA) in our interaction with healthcare professionals and patient organizations. Regarding the advertising of human pharmaceutical products, we comply with the regulations set out in the IFPMA Code of Practice as the minimum global standard along with those set forth in regional and national codes. The strategy is in line with the United Nations Guiding Principles on Business and Human Rights (UNGPs). No cases of noncompliance with the UNGPs were reported in 2025.

We observe the applicable transparency rules and participate in voluntary programs such as the EFPIA Disclosure Code. In accordance with the EFPIA Disclosure Code, we disclose benefits in kind to medical specialists and health organizations in connection with the development and marketing of prescription (and, where legally required, nonprescription) medicines. The rules of conduct for responsible marketing are publicly accessible on our website.

Product responsibility and responsible marketing at Crop Science as part of our Product Stewardship Policy
We have specified our principles of responsible product management in the Crop Science Division in our Product Stewardship Commitment, Principles and Key Requirements Policy. In the chapter on research and development, the policy establishes precise rules regarding transparent and exact information on product handling. Product containers and the corresponding exterior packaging must be labeled with appropriate and accurate information according to the product's registered or approved use. In countries in which no specific labeling requirements exist, crop protection products are labeled according to the Globally Harmonized System of Classification and Labeling of Chemicals (GHS) and the FAO's guidance on good labeling practice for crop protection products. Specific information on the safety of a product when used as intended is only permitted if allowed for under local legislation and if scientific evidence is available to underscore the information.

In accordance with our Product Stewardship Policy, we also declare that ethical sales and marketing practices that satisfy the applicable regulations and Bayer's internal standards must be complied with. Responsible marketing and sales also entail monitoring the implementation of procedures, systems and processes by all relevant Bayer companies and distributors of our products and services. We observe all applicable laws and regulations on marketing practices, the global, regional and local industry codes of conduct of relevance for our business, and all of our internal standards. The Product Stewardship Policy pertains to the life cycle of all seeds & traits, biological and crop protection products, and services in our portfolio. Product stewardship aims to ensure the availability of high-quality products and services, as well as proven processes to enable compliance with all legal and regulatory requirements, facilitate trade, maximize product potential and sustainability, and minimize risks to human

and animal health, as well as the environment. The principles are directed at all Bayer employees. Responsibility for product stewardship in the Crop Science Division lies with the Research and Development divisional function, which reports directly to the Crop Science Leadership Team, the highest decision-making body within the division. The Leadership Team is led by the head of the Crop Science Division, whose position makes him a member of the Board of Management of Bayer AG.

Our high internal product stewardship standards are based on the International Code of Conduct on Pesticide Management issued by the Food and Agriculture Organization (FAO) of the United Nations and the World Health Organization (WHO). These can be found in our Product Stewardship Commitment, Principles and Key Requirements Policy. This also strengthens partnerships and opens up dialogue with our most important stakeholders and customers, with the goal of fostering long-lasting trust in Bayer products and services, maintaining the foundation of our business in the long term and ultimately increasing public trust as far as possible. The strategy is in line with the United Nations Guiding Principles on Business and Human Rights (UNGPs). No cases of noncompliance with the UNGPs were reported in 2025.

We sensitize all our employees and our suppliers to their product stewardship responsibilities through our Bayer Supplier Code of Conduct (please see the section “Holistic policies for managing material sustainability matters [MDR-P]” in Chapter A 4.1 General Information on the Sustainability Statement). We require all employees to adhere to the commitments, principles and key requirements pertaining to product stewardship and promote these in their scope of activity. All employees have a responsibility to actively support the appropriate development and use of our products and services both internally and externally. It is a clear expectation of Bayer management that every single employee is aware of specific aspects of product stewardship that apply in their scope of activity. The contents are publicly available on our website.

Actions related to access to information by consumers and/or end-users [S4-2]

Our actions to improve access to information focus on responsible marketing.

Measures for responsible marketing

To act as a role model as regards transparency, we are committed on a global and company-wide basis to accurate and scientifically substantiated communication at all times, and we also demand this commitment from our external partners through our Bayer Supplier Code of Conduct. Our commitments have the primary goal of achieving clarity by avoiding ambiguous statements. Furthermore, advertising is always reviewed internally to ensure accurate content and the observance of all relevant guidelines. Information is presented uniformly, irrespective of the type and place of publication (such as news releases, social media or letters to customers). We track effectiveness in practice through the regular overall review of our marketing processes. The goal of interactions with healthcare professionals and organizations (HCPs and HCOs) is to support medical care and ultimately benefit patients. These interactions should, above all, inform HCPs and HCOs about products, pass on scientific, medical and educational information or supporting research results, and provide them with educational materials. Nothing must be offered or granted to HCPs and HCOs in a way that would improperly influence prescribing behavior. Company employees must also act fairly and ethically when interacting in the context of the marketing or sale of agricultural products such as seed and crop protection products. We expect our partners to meet their obligation to ensure truthful and accurate descriptions when producing sales, advertising and marketing materials.

We undertake to implement and monitor procedures, systems and processes and conduct regular reviews and risk assessments of our marketing processes with the goal of ensuring the best possible quality of our products and the protection of people and the environment. Based on the risk assessments, we implement the necessary corrective measures and report transparently on reassessments. This may also involve restrictions on product marketing.

We use our continuous risk assessments to review the effectiveness of these corrective measures. We also carry out regular training measures to familiarize our employees with laws, regulations and internal rules.

Processes for engaging with consumers and end-users about impacts [S4-2]

Company-wide principles established in the Bayer Code of Conduct determine how we engage not just with our own employees, but also with patients, customers, consumers and other stakeholders. This is how we want to live up to our social responsibility as a transparent company that acts sustainably and is respected for its contribution to progress in healthcare and agriculture. We want to listen, understand, take concerns seriously and conduct a respectful dialogue. Responsibility for implementing the principles established in the Code of Conduct lies with the Chairman of the Board of Management (CEO).

We have established processes throughout the company to continuously address inquiries about product safety or problems with products of ours that are already available on the market. This feedback from direct contact with consumers, end-users and their representatives, such as physicians or pharmacists, is also taken into account in our risk assessment. We continue to observe and evaluate our products following their approval and throughout their entire life cycle. This enables adverse impacts to be identified as early as possible and a decision to be taken as regards the necessary risk mitigation measures. We have established suitable policies and management systems to implement statutory and voluntary product stewardship requirements.

Clinical trials are usually conducted with adults between 18 and 64 years of age, which is also why safety data for specific population groups is only available to a limited extent. For this reason, the risk of possible side effects in specific population groups is generally estimated based on the available data or experience with similar products. As the needs of these specific population groups can differ from those of other groups, however, it is important to also conduct trials in these groups in order to find new ways of treating, controlling and preventing diseases. Another way pharmaceutical companies can support specific population groups is by providing information material about a disease or medication. One example is hemophilia, for which we have produced information videos to teach patients more about their condition and its treatment. Other patients – especially elderly people – can have difficulty swallowing tablets due to their age or to neurological or physical disorders. Pharmaceutical companies can support these patients by offering information material with advice on taking their medicine.

Processes to remediate negative impacts and channels for consumers and end-users to raise concerns [S4-3]

We undertake to exercise our operations in an ethical and legally compliant manner and encourage our employees and third parties to raise their compliance concerns. The impact of our general approach is assessed through the specific remedial measures and management systems described below in more detail.

Our Speak Up Channel offers an accessible process for reporting human rights and environment-related risks, along with corresponding violations; the confidentiality of anybody submitting such a report is protected, and they are also protected against any reprisals. This channel is available not only to our employees, but also to all third parties who would like to report a potential compliance violation. This applies irrespective of whether the third party has a business relationship with us or whether the company's own rights are affected and thus includes all of our consumers and end-users. Users of our products can also contact us if they have inquiries or grievances, or wish to report incidents, using various communication channels that are explained in greater detail below for our different business areas.

As described in our Bayer Supplier Code of Conduct, suppliers throughout the supply chain must also encourage their employees and give them the means to report concerns, grievances or potentially unlawful activities resulting from economic activities at their own workplace or that of another supplier without the threat of reprisals, intimidation or harassment. All reports must be treated confidentially and can be filed anonymously wherever legally permissible. Suppliers must investigate such reports and take remedial measures, if necessary.

We draw attention to our Speak Up Channel on the internet, including by means of an infographic and FAQs. The relevant channels for product-specific questions, grievances or incident reports can be found on the product packaging. Based on the use of the various channels, we can tell that consumers and/or end-users are familiar with and trust these structures and processes. Beyond this, there are currently no specific methods for measuring the confidence of end-users in these channels. For more information on our Speak Up Channel, please see Chapter 4.4.1 Business Conduct. To learn how we protect individuals from retaliatory measures, please see Chapter A 4.2.3 Pollution.

Crop Science
Users of our products can contact us through a range of communication channels should they have inquiries or grievances, or if they wish to report any incidents. These channels include both direct contact with our sales staff and hotline numbers printed on our product packaging.

We follow up every incident relating to our crop protection and seed products reported anywhere in the world and manage the incidents with the aid of a dedicated incident management system and the CAIRnew software, a solution for reporting, administering, documenting and analyzing incidents, grievances and product recalls. Reported incidents are classified based on severity and risk. Our incident management system and continuous product use screenings form the key reference points when it comes to monitoring the safety of our products and to identifying necessary improvements. In general, steps to mitigate risks can vary from increased training efforts, change of formulation, revised application recommendations and use limitations, to product withdrawal.

We work with hospitals and poison control centers to further improve the quality of their reports and data and thus ensure the effectiveness of our channels. Since 2022, we have also engaged with medical professionals through our Bayer Safe Use Ambassador initiative, in which we encourage physicians in locations where there are no national incident monitoring institutions to report any incidents related to the use of our crop protection products directly to us.

Pharmaceuticals and Consumer Health
SafeTrack is Bayer's proprietary web-based tool that patients, caregivers and healthcare professionals can use to report adverse events digitally. Our teams evaluate internal benefit and safety data, clinical trials, post-marketing studies, external databases and scientific publications to identify potential safety concerns at an early stage and detect possible changes in the benefit–risk profile. All reported side effects are entered into our pharmacovigilance database. The data is regularly evaluated in collaboration with the regulatory and supervisory authorities at both the national and international level. It is particularly important not only to collect data during the clinical development of a medical product, but also to monitor the product after marketing authorization has been granted.

We pass on to the regulatory authorities suggestions derived from these reports regarding possible supplementary safety-relevant information for the package inserts. Such suggestions usually go to the authorities from the respective pharmaceutical manufacturers. The relevant health authorities decide on the steps resulting from the reports and suggestions in close cooperation with us as the producer.

Should risks be identified, we immediately take steps in coordination with the authorities to safeguard the health of patients and consumers. These measures range from updating product information for patients, users, pharmacists and physicians through patient education brochures and further training measures for medical professionals to direct communication with medical experts (Direct Healthcare Professional Communication, DHPC) and even product withdrawals. Implementation of risk mitigation activities is coordinated by our local safety management teams (SMTs) in the country organizations. All these processes are documented, regularly updated and integrated into the quality management system. To maintain the high quality of our pharmacovigilance system and ensure its effectiveness, our medical and scientific experts additionally undergo regular training. Furthermore, all of our employees are required to undergo training as regards their obligation to immediately report safety- and quality-relevant information to the Pharmacovigilance department.

Metrics and targets related to consumers and end-users

With regard to consumers and end-users, we report on our 100 million targets through 2030.

Targets for managing material negative impacts, advancing positive impacts, and managing material risks and opportunities [S4-5]

Our 100 million targets are a central element of our sustainability performance; here we focus particularly on the needs of consumers and end-users in low- and middle-income countries and in underserved communities to help improve their quality of life. Interventions are defined as the provision of products or services by us or our noncommercial partners such as nongovernmental organizations. Our partners must meet admission criteria defined by us to be considered for the 100 million targets. For example, partners must follow the same KPI definitions and have conducted a due diligence process with regard to the quality of reporting. All partners undertake to grant us full access to their data history, calculation rules and control processes. To best understand the influence of our initiatives in connection with the 100 million targets, we work either directly with consumers and/or end-users – for example through surveys – or with experienced representatives and experts such as the members of the Bayer Sustainability Council. For more details on the inclusion of stakeholders, please see the section “Interests and views of stakeholders [SBM-2]” in Chapter A 4.1 General Information on the Sustainability Statement.

Aside from the audit by our external auditors, no external validation of our 100 million targets was conducted. To monitor and review our 100 million targets, we are currently formalizing controls as part of the Internal Control System over Sustainability Reporting (ICSoSR).

Supporting 100 million smallholder farmers in low- and middle-income countries (LMICs)

As one of the global leaders in agriculture, and in accordance with our sustainability strategy, we want to support a total of 100 million smallholder farmers in LMICs by 2030 by improving their access to agricultural products and services, including in collaboration with our partners. To achieve this, we are increasing our range of business activities and strategic initiatives tailored to the needs of smallholder farmers. We reached the number of smallholder farmers stated below:

// Base year 2019: 42 million
// Status 2020: 45 million
// Status 2021: 49 million
// Status 2022: 52 million
// Status 2023: 53 million
// Status 2024: 52 million
// Status 2025: 53 million

As this metric is defined specifically for our Crop Science business, we cannot rely on standardized measurement methods. We have developed our own methodology based on available and reliable data and conservative assumptions. Three channels contribute to the objective of supporting 100 million smallholder farmers: a commercial channel that provides smallholder farmers with Bayer products via local distribution channels in a country, a partnership channel (noncommercial) in which we support smallholder farmers together with partners, such as through the offer of digital information and financing solutions, and a digital channel that offers digital advisory services geared to smallholder farmers. Smallholder farmers reached through several channels are only counted once. The number of smallholder farmers in the commercial channel is determined by calculating the total number of supported farmers per country and crop based on sales and market data. Farmers who use several of our crop protection or seed products are only counted once. The number of smallholder farmers reached out of the total number of farmers supported is determined based on the respective share of smallholder farmers in the market.

For each noncommercial partnership, the outreach to smallholder farmers is determined based on information provided by the partner. For digital services, the outreach is based on smallholder farmers' active usage of our mobile service offerings during the fiscal year. We correct for possible overlaps within and across the channels using overlap factors. The total number of smallholder farmers supported is calculated by adding up the number of smallholder farmers reached through commercial products, noncommercial partnerships and digital services. In 2025, we further developed the measurement methods by adding the digital initiatives.

Together with our partners, we supported 53 million smallholder farmers in LMICs with our products and services in 2025. Although the outreach of our commercial efforts in the Asia/Pacific region continued to be restricted by market- and weather-related factors, we increased our total outreach by one million smallholder farmers compared with 2024. The moderate increase we achieved despite these challenges was due particularly to the strong performance of our noncommercial partnership projects in Africa.

Enabling 100 million women to gain access to modern contraception

In accordance with our strategy to improve access to healthcare, we aim to fulfill the need of 100 million women in low- and middle-income countries (LMICs) for modern contraception by 2030. To address the challenges associated with facilitating access to contraceptives over the next decade and reach our target of enabling 100 million women to access modern contraceptives, we continuously strive to increase our production capacities and expand our partnerships. We reached the number of women stated below:

// Base year 2019: 38 million
// Status 2020: 40 million
// Status 2021: 41 million
// Status 2022: 44 million
// Status 2023: 46 million
// Status 2024: 51 million
// Status 2025: 68 million

For this KPI, we use measurement methods based on the models of USAID, an independent agency of the US government that is primarily responsible for the administration of civilian development aid. We have defined a methodology based on available and reliable data and conservative assumptions. Our measures to cover women's need for modern contraceptives can be divided into two channels: the first channel comprises the supply of the market with our contraceptives. Access to the products is ensured partly by way of the distribution activities of company headquarters, e.g. through national governmental tenders or multinational supply agreements, and partly through the distribution activities of our respective country organizations. The second channel is a partnership channel based on the number of women in LMICs who use modern contraceptives due to family planning campaigns supported by us through partnerships. The products used here are not limited to our brands, but instead generally cover a broad range of manufacturers. For the calculation, the volumes of contraceptives sold are extracted for both channels and classified as short-acting or long-acting methods. The short-acting methods

offered by us include oral contraceptives and injections, while the long-acting methods comprise intrauterine devices and implants. The sales are multiplied by the number of product units contained in a pack to obtain the sales volumes in units per product category and country. An LMIC filter is then applied to the sales data to determine sales in LMICs.

In a first step, the partner provides data on its outreach. In a second step, analysis is then conducted to establish whether normalizations are required, such as an adjustment to reduce overlaps between the channels. To determine the conclusive number of women in LMICs who cover their demand for modern contraception through the measures supported by us, the outreach from product supply and the outreach from the partnership are added together. The risk of overlaps between commercial and partnership KPIs is mitigated in the calculation, as individuals benefiting from both approaches are only counted once. In 2025, we further developed the measurement methods by expanding the digital initiatives.

We currently provide access to modern contraceptives to 68 million women in LMICs and thus reached 17 million more women than in 2024. This strong increase was attributable particularly to the sale of our contraceptive active ingredients to other producers, who are thus enabling more women in LMICs to access contraceptive products. This in turn improves the general availability and continuous supply of contraceptives in LMICs.

Supporting 100 million people in underserved communities with self-care
In line with our strategy for improving access to healthcare, we want to support 100 million people in economically or medically underserved communities with our self-care interventions in 2030. To achieve our sustainability target, we are, for example, adapting our brands, products and solutions to meet the medical, pricing, packaging and distribution needs of people in underserved communities. We have expanded our affordable portfolio across regions and increased its availability in channels where lower-income consumers shop. We reached the number of people stated below:

// Base year 2019: 41 million
// Status 2020: 43 million
// Status 2021: 46 million
// Status 2022: 49 million
// Status 2023: 51 million
// Status 2024: 53 million
// Status 2025: 82 million

Our measures to improve access to self-care can be divided into two channels: we use commercial channels that supply people in underserved communities with our self-care products or services as well as partnerships in which we support people in underserved regions together with noncommercial partners.

In the commercial channel, the calculation processes are divided into three steps to determine the number of people in underserved regions whose access to self-care is supported by us. In the first step, the sales volumes of brands and pack sizes suitable for underserved regions are quantified. Overlap effects resulting from multiple purchases by the same consumer are then taken into account. The final step involves extrapolating the proportion of underserved people in the total population of the respective countries, which is multiplied by the number of individual consumers reached in the countries as determined in the second step. In the partnership channel's first step, the partner provides data on its outreach. In the next step, analysis is conducted to establish whether normalizations are required due, for example, to divergent reporting periods between us and our partners. To determine the number of people in underserved communities whose access to self-care is supported by us, the number of people reached via the commercial channel is added to the number of people reached through the partnership channel. The risk of overlaps between commercial and partnership KPIs is reduced in the calculation by only counting individuals benefiting from both approaches once. In 2025, there were no adjustments made to the measurement methods.

As regards access to medical self-care, we made further progress in 2025 in accordance with our original target. Therefore, we meanwhile support 82 million people in economically or medically underserved communities in their everyday healthcare through our interventions. The strong increase compared to 2024 is particularly attributable to the introduction of new strategic products in India, through which it was possible to make a significant contribution to accessibility.

4.4 Governance

We report on governance aspects to ensure the transparency and integrity of our corporate governance. By disclosing our governance structures and practices, we aim to strengthen the trust of our stakeholders, promote responsible decisions in our company and ensure compliance with our ethical standards.

4.4.1 Business Conduct

We understand our considerable responsibility as a globally leading healthcare and agriculture company. Our pursuit of responsible business conduct is deeply anchored in our corporate culture and serves as the basis for our long-term success and the trust stakeholders place in our commercial practices.

Management of impacts, risks and opportunities in the area of business conduct

Within the scope of our double materiality assessment, we have identified material impacts, risks and opportunities and manage these through our strategies, processes and actions. We report extensively on our corporate governance structures, the recommendations of the German Corporate Governance Code and the composition and procedures of the Board of Management and the Supervisory Board.

Our material impacts lie in our ethical standards, which can also have positive market effects. Our Code of Conduct defines the fundamentals of our ethical standards, and our management includes training measures on compliance issues (including corruption prevention) and a Speak Up Channel. As a global company, we also have a positive impact on suppliers to improve social and ecological standards. Furthermore, through active participation in public debates, we promote science- and fact-based decision-making in politics and society. We make a positive contribution to society and environmental protection through our political lobbying for issues with a particular focus on social matters such as access to healthcare in low-income countries and climate change mitigation or adaptation.

At the same time, we are exposed to potential risks such as unethical competition, antitrust violations, corruption and data protection infringements. Any potential failure to comprehensively integrate the principles of business ethics could lead to reputational damage and financial consequences. Furthermore, failure to comply with our Human Rights Policy can lead to human rights violations, which presents a risk for our license to operate. The findings of our risk identification and assessment are taken into account in our governance strategies and help us to make sustainable and responsible business decisions.

Corporate culture and business conduct policies [G1-1]

We have various business conduct and corporate culture policies, thereby taking account of corresponding impacts and risks.

Integrity and compliance through our business conduct policies and corporate culture

Integrity is anchored in our corporate culture and guides our actions. We do not tolerate illegal or unethical actions. We investigate and thoroughly clarify any potential violations. Confirmed violations are sanctioned in accordance with our sanction regulations. Our Code of Conduct serves as a guidance document for our company and our employees and ensures that we act according to all applicable legal requirements.

We strive to continuously increase transparency, both in our political lobbying work and in the focus areas of our efforts. To achieve this, we make our political positions on the most important issues associated with our activities publicly available. Through our lobbying, we make a positive contribution to society and the environment by increasing the visibility of socially and environmentally related issues. Our binding Code of Conduct for Responsible Lobbying specifies, for example, that our lobbyists communicate our messages and positions to political decision-makers transparently, fairly, with integrity and in a fact-based way.

We introduced the Bayer Societal Engagement (BASE) principles in 2019 to ensure that we meet the expectations society has of our company. The BASE principles describe how we interact worldwide not just with our employees, but also with patients, customers, consumers, business partners, political stakeholders, scientists, critics and our shareholders. This is how we want to live up to our social responsibility as a transparent company that acts sustainably and is respected for its contribution to progress in healthcare and agriculture. We want to listen, understand, take concerns seriously and conduct a respectful dialogue. Our mission “Health for all, Hunger for none” forms the foundation for the BASE principles.

Furthermore, our employees should be aware of the most significant risks in their business activity and proactively identify and address them in order to protect our company. We have established an effective risk and compliance management system to promote and strengthen legally compliant conduct and a positive risk culture. Training measures on the elements of this system are compulsory and must be completed by our employees in a timely manner. The elements of this system promote a positive compliance culture throughout our organization and help to ensure integrity in each employee’s daily business activity. We use regulations, procedures, training courses and controls to integrate preventive measures into daily business activities. Our compliance approach is supported by a global compliance organization headed up by our General Counsel in their role as the Group Compliance Officer. In this function, the Group Compliance Officer reports directly to the Chief Financial Officer (CFO) and the Supervisory Board’s Audit Committee. The CFO is responsible for the compliance organization, while the Audit Committee of the Supervisory Board oversees the effectiveness and further development of compliance within the Group.

We additionally regularly review our human-rights-related risk management approach by both proactively identifying and also addressing human rights risks to avoid noncompliance. Those responsible monitor the implementation of our commitments along the entire value chain, determine the effectiveness of the implemented measures for managing human rights risks, and develop improvement measures as and when necessary. We are always mindful of the individual right to privacy, which is a fundamental human right guaranteed and protected by data protection laws. We also endeavor to create a work environment in which discrimination, harassment and unjustified punitive actions are not tolerated. We treat one another with fairness and respect, and act in Bayer’s best interests.

We cultivate a culture of openness and transparency in our company. We encourage employees and third parties to raise their concerns with regard to compliance and therefore promote an environment in which everyone feels able to speak up. When questions are posed and concerns raised, this helps us to maintain a strong compliance culture. We also provide information, sufficient resources and guidance to prevent violations of the law or company rules.

Employees can use our global Speak Up Channel in numerous languages. This is a secure channel that gives everyone (including the public) the opportunity to report alleged compliance violations confidentially (and anonymously, wherever permitted by local law). Employees and outside parties can also directly contact our compliance department via the email address Speak.Up@Bayer.com. If employees believe an activity or behavior could represent a material compliance violation, they have an obligation to report this.

Depending on the severity of the compliance violation, it can have disciplinary, civil or criminal consequences for those responsible. Proven misconduct can also have an effect on relevant individuals' compensation. Failure to report, properly investigate and rectify a suspected material compliance violation can also have serious ramifications, including labor law consequences, criminal sanctions for the company and liability for individual employees, as well as fines and reputational damage.

We help all employees to act with integrity and proactively avoid potential violations by implementing Bayer-wide training measures and communication campaigns that are tailored to target groups and based on identified needs. Our Code of Conduct forms the basis for our compliance communication and training activities. Both supervisors and compliance managers are available to answer employees' questions about lawful behavior.

Training measures on anti-corruption, the importance of openly expressing concerns (Speak Up), antitrust law, conflicts of interest, fairness and respect at work, foreign trade law compliance and data privacy are also elements of our compliance management system.

Each year, a new compulsory training course on compliance is published for all our employees. In 2025, we offered a web-based training course on the new Code of Conduct in 92 countries. The course is available in 15 languages.

Our annual, company-wide Speak Up campaign to foster an open reporting culture communicates the various options for reporting compliance violations. This is designed to create an environment in which compliance violations can be addressed without reservations.

Within our general anti-corruption training course, we offer further-reaching learning paths with additional information for high-risk functions and departments that are most affected by corruption and bribery issues due to their fields of activity. These learning paths are specially geared toward employees who have contact with healthcare professionals and public officials. High-risk functions generally include procurement, distribution and marketing, as well as our departments that participate in tender processes.

Management of relationships with suppliers [G1-2]

The procurement organization supplies our company with raw materials, goods and services all around the world. It acts on behalf of all business areas and enabling functions by leveraging synergies through the pooling of expertise and procurement spending. The Procurement function reports to the Chief Financial Officer.

We have an impact on society and the environment through our procurement activities and supplier relationships. Economic, ethical, social and environmental principles are therefore anchored in the Bayer Supplier Code of Conduct and the Sustainability for Procurement guidance document that is globally binding for all procurement employees worldwide.

We want to promote sustainable partnerships with our suppliers that are based on compliance, sustainability, fairness and integrity in each purchasing decision. Our procurement employees make well-founded make-or-buy decisions, taking into account fairness, cost efficiency, supply security, legal compliance, sustainability, quality and antitrust regulations. We also give external business partners clear orientation aids, such as our Bayer Supplier Code of Conduct guidance document or supplier training measures, and set expectations regarding mutually beneficial collaborations.

Furthermore, we operate according to established processes in procurement and supplier management. As the market and supply chain management are very dynamic and constantly evolving, long-term contracts and active supplier management for strategically important goods and services are essential elements here. They serve to minimize procurement-specific risks such as supply bottlenecks or significant price fluctuations, safeguard the company's competitiveness and ensure smooth production processes.

We utilize a contractual clause to articulate our sustainability requirements and insist on their inclusion in contracts with our suppliers. This clause is supplemented by supplier evaluations with regard to their sustainability performance and by development activities to improve sustainability practices in the supply chain. The contractual clause on sustainability has two key underlying points:

// The supplier agrees to accept our Bayer Supplier Code of Conduct and organize its business in accordance with the principles described.
// We reserve the right to assess or review the supplier's compliance with our Bayer Supplier Code of Conduct. This marks the beginning of our evaluation process based on the Bayer Supplier Code of Conduct, respect for human rights and the greenhouse gas emissions emitted by the suppliers.

The Bayer Supplier Code of Conduct establishes important social, environmental and ethical standards that we expect our suppliers and subcontractors to comply with. It is therefore made available to our suppliers in several languages to strengthen understanding of how these principles should be implemented in daily business (including promoting efforts to improve human health and protect the environment). In addition, our comprehensive Bayer Supplier Code of Conduct guidance document aims to provide specific examples for proven practices and benchmarks that suppliers can use, as well as references such as the regulatory framework and standards for our sustainability efforts.

Among other aspects, the Bayer Supplier Code of Conduct guidance document offers suppliers:

// Important information on how they can improve their ethical, social, environmental and other general organizational and economic endeavors
// Support in preparing for a performance evaluation or re-evaluation
// References to generally acknowledged standards and regulatory frameworks

When selecting suppliers, we take into account all types of suppliers. We work continuously to strategically advance sustainability issues in procurement, particularly as regards environmental and human rights questions. Sustainability-oriented criteria and standards apply to our supply chain at both the global and regional levels.

We have established a four-step management process throughout the Group so that we can assess sustainability practices in the supply chain and improve them over the long term. This risk-based approach helps us to assess sustainability-related risks and monitor them in our supply chain. Through the sustainability assessments we can identify sustainability-related risks among selected suppliers and focus on any need for improvement. This process is centrally steered by the sustainability team in the Procurement function.

- **Step 1 – Awareness among suppliers about sustainability:** The Bayer Supplier Code of Conduct establishes principles on ethics, people and work, health, safety and environmental protection, quality and governance, as well as on the established management systems. It is made available to our suppliers. We expect our suppliers also to apply these principles in the downstream stages of their supply chain.
- **Step 2 – Nomination of suppliers to be assessed:** Suppliers are selected for sustainability assessments based on a combination of country and sustainability risk categories, as well as their strategic importance for us.
- **Step 3 – Assessment of suppliers' sustainability performance:** Suppliers selected for assessment are assessed either on site through an audit conducted by external auditors or using an online assessment by EcoVadis (an external provider of sustainability assessments).
- **Step 4 – (Further) development of suppliers:** The audit and assessment results are internally analyzed and documented. If deficiencies are found when assessing suppliers, we develop corrective measures together with the respective suppliers to improve their future sustainability assessments.

In addition to our Bayer Supplier Code of Conduct, our strategy for managing relations with regard to our suppliers includes our Sustainability for Procurement guidance document. This offers internal stakeholders general instructions for integrating sustainability aspects into procurement activities. The document also contains the description of the four-step management process.

To effectively address the manifold challenges of a sustainable supply chain and to leverage synergies, we are a member of various industry initiatives – most importantly the PSCI and TfS, a chemical industry initiative of which we are a co-founder. Both initiatives are focused not just on conducting supplier audits or sustainability assessments, but also on building supplier expertise through measures such as training courses and events. The objective here is to help suppliers act in accordance with industry expectations with regard to sustainability, which is commensurate with our supplier development goals. Many of the training courses offered are available not only in English, but also in other languages such as German, Spanish, Portuguese and Chinese.

Supplier management with regard to sustainability is embedded into the entire supplier life cycle. It aims to establish an overarching approach to our supplier relations through appropriate management until the end of the relationship.

Prevention and detection of corruption and bribery [G1-3]

We do not tolerate corruption and we reject any business opportunity that involves bribery or the unlawful exertion of influence on third parties. We offer gifts or extend invitations only within ethical and legal limits. We comply with the highest ethical standards, especially when it comes to gifts or invitations for healthcare professionals or public officials, as this is completely prohibited in some cases. These standards include our Code of Conduct, which sets the standard for how our employees should conduct themselves in compliance with laws and internal rules as well as, for example, the codes of the International Federation of Pharmaceutical Manufacturers & Associations (IFPMA) and the European Federation of Pharmaceutical Industries and Associations (EFPIA). Even when the payment of a contribution is permitted, public reporting or disclosure may be necessary. We comply with all applicable laws to prevent money laundering.

Our Code of Conduct contains binding stipulations on the issue of anti-corruption. This is supplemented by policies valid throughout the Group that refer to numerous additional information documents on fighting corruption. These include a policy from the legal and compliance organization with references to provisions on how to deal with gifts, as well as on event management, charitable giving by the company and divisional giving by the divisions, and third-party audits. The Code of Conduct and our policies are enacted using a special process. Enactment involves the formal and legal recognition of the Code of Conduct or the policies by the management of the relevant Bayer company. This makes a policy subject to the legal provisions of the company that must be complied with. The enactment is continuously monitored to ensure that the rules are fully implemented. Bayer supports the implementation of these rules through training and/or target-group-specific communication. We monitor compliance with the binding anti-corruption requirements using our Integrated Compliance Management system, for example by conducting spot checks or making inquiries in certain areas.

The Speak Up Office, which is part of the global legal and compliance organization, decides, following a plausibility check, on the appropriate referral of compliance audit cases and ensures that the audit is undertaken by independent experts. Depending on the circumstances of the case, multifunctional investigation teams from different units (e.g. Legal, Internal Audit, Human Resources) are entrusted with processing the cases. These investigation teams operate largely independently.

In the event of compliance violations that are of significant regulatory and/or financial importance due to their nature and impact, or that pertain to a member of the global leadership team, a Compliance Committee that meets on an ad hoc basis decides on possible sanctions. Decisions on sanctions require a majority vote. Our General Counsel has a right of veto when a decision is made. If this right is exercised, the matter is passed on to the Board of Management for a final decision.

Every newly hired person, including members of the Board of Management or Supervisory Board, must complete a 30-minute anti-corruption training session that covers the most important risks as well as case studies and test questions to deepen their understanding of this issue. Our employees were also assigned a compulsory web-based Code-of-Conduct training course, most recently in 2024, aimed at systematically preventing and creating awareness about compliance risks, including corruption risks. This training also extends to all our functions that we have classified internally as high-risk functions (100%). Our compliance training courses are regularly updated and correspondingly assigned to our employees.

Metrics and targets related to business conduct

In 2025, we showed a strong commitment to ethical standards, with clear structures established for the exertion of political influence and for lobbying.

Confirmed incidents of corruption or bribery [G1-4]

We were not convicted of any violations of corruption or bribery law in 2025 (2024: 0). Furthermore, no fines were imposed on us for violations of corruption or bribery law (2024: €0).

Political influence and lobbying activities [G1-5]

We have established clear accountabilities for governing the exertion of political influence and lobbying. In this connection, the head of Global Public Affairs reports to the global head of Public Affairs, Sustainability & Safety, who reports directly to the Chairman of the Board of Management (CEO). Both regularly inform the Board of Management and the Supervisory Board – either individually or jointly, depending on the issue – about material developments that are relevant to us in the area of political lobbying.

We strive to continuously increase transparency not just in our political lobbying work, but also as regards the focus areas of our efforts. For this purpose, we publish our political positions on the most pressing issues associated with our activities. We have also listed our most important political lobbying focuses. These focuses are in line with the findings of our double materiality assessment and our resulting ambitions to reduce negative material impacts and risks and to leverage positive material impacts and opportunities. Central elements of our political lobbying include current geopolitical developments and the issue of tariffs.

The most important focuses of our political lobbying in 2025 were:

// Ensuring that regulatory framework conditions are rigorously based on science (e.g. in crop protection in our core markets)
// Implementing innovation- and investment-friendly framework conditions
// Defending strong patent protection for our innovative products
// Advocating for free trade and the avoidance of foreign investment restrictions (tariffs, geopolitics, etc.)
// Addressing the global food security crisis (e.g. in the context of Russia's war against Ukraine)
// Advocating for fair and innovation-friendly drug prices
// Seeking broad political and regulatory support in the area of cell and gene therapies

Further information on our political focuses is contained in our publicly available report on the transparency of our political lobbying.

As described in our Bayer Code of Conduct for Responsible Lobbying, we as a company do not donate to political parties, politicians or candidates for political office (2024: €0). According to US law, however, local company employees can support individual candidates for political office by making private donations through political action committees, or PACs, at the federal level. These voluntary donations are made only by employees, not the company. PACs are separate, segregated funds governed by employees and further regulated by the US Federal Election Commission (FEC) and some state governments. Decisions on how these contributions are allocated are made by an independent committee composed of employees. At BAYERPAC, the name of our corresponding committee, criteria are applied that reflect societal challenges, among other factors. For example, the candidates' positions on issues such as climate change or protection of biodiversity play a key role. BAYERPAC supports candidates from both parties. These donations are subject to strict conditions and compulsory transparency measures. BAYERPAC contributions are regularly reported to the FEC. BAYERPAC does not support presidential candidates. Our employees donated around €366,750 to political candidates at all levels through BAYERPAC in 2025 (2024: around €278,000). In other countries, industry associations of which we are a member (such as the German Chemical Industry Association) sometimes make donations independently in compliance with the respective statutory regulations, particularly laws concerning political parties.

With regard to the EU and its member states, we are entered in the following transparency registers:

// EU Transparency Register, identification number 3523776801-85
// Lobbying Register of the German Bundestag, identification number R002249
// Transparency Register of the Federal Republic of Germany
  – Bayer Vital GmbH, identification number R002256
  – Bayer CropScience Deutschland GmbH, identification number R002257

In 2025, we did not appoint members to our administrative, management and supervisory bodies who had held a similar position in public administration (including regulatory authorities) in the previous two years.

4.5 ESRS Index

The following overview shows all the disclosure requirements of the European Sustainability Reporting Standards (ESRS) that we took into account when preparing our Sustainability Statement.

A 4.5/1

Disclosure requirements in ESRS covered by the undertaking's sustainability statement [IRO-2]

General disclosures [ESRS 2]	Section
General basis for preparation of sustainability statements [BP-1]	4.1 General Information on the Sustainability Statement – General basis for preparation of sustainability statement [BP-1]
Disclosures in relation to specific circumstances [BP-2]	4.1 General Information on the Sustainability Statement – Disclosures in relation to specific circumstances [BP-2]
The role of the administrative, management and supervisory bodies [GOV-1]	4.1 General Information on the Sustainability Statement – The role of the administrative, management and supervisory bodies [GOV-1]
Disclosure Requirement GOV-1 – The role of the administrative, management and supervisory bodies [G1.GOV-1]	4.1 General Information on the Sustainability Statement – Role of administrative, management and supervisory bodies in business conduct [G1.GOV-1]
Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies [GOV-2]	4.1 General Information on the Sustainability Statement – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies [GOV-2]
Integration of sustainability-related performance in incentive schemes [GOV-3]	4.1 General Information on the Sustainability Statement – Integration of sustainability-related performance in incentive schemes [GOV-3]
Disclosure Requirement GOV-3 – Integration of sustainability-related performance in incentive schemes [E1.GOV-3]	4.1 General Information on the Sustainability Statement – Integration of climate-related performance in incentive schemes in the form of reduction targets [E1.GOV-3]
Statement on due diligence [GOV-4]	4.1 General Information on the Sustainability Statement – Statement on due diligence [GOV-4]
Risk management and internal controls over sustainability reporting [GOV-5]	4.1 General Information on the Sustainability Statement – Risk management and internal controls over sustainability reporting [GOV-5]
Strategy, business model and value chain [SBM-1]	4.1 General Information on the Sustainability Statement – Strategy, business model and value chain [SBM-1]
Interests and views of stakeholders [SBM-2]	4.1 General Information on the Sustainability Statement – Interests and views of stakeholders [SBM-2]
Disclosure Requirement SBM-2 – Interests and views of stakeholders [S1.SBM-2]	4.1 General Information on the Sustainability Statement – Interests and views of stakeholders as regards own workforce [S1.SBM-2]
Disclosure Requirement SBM-2 – Interests and views of stakeholders [S2.SBM-2]	4.1 General Information on the Sustainability Statement – Interests and views of stakeholders related to workers in the value chain [S2.SBM-2]
Disclosure Requirement SBM-2 – Interests and views of stakeholders [S3.SBM-2]	4.1 General Information on the Sustainability Statement – Interests and views of stakeholders related to affected communities [S3.SBM-2]
Disclosure Requirement SBM-2 – Interests and views of stakeholders [S4.SBM-2]	4.1 General Information on the Sustainability Statement – Interests and views of stakeholders related to consumers and end-users [S4.SBM-2]
Material impacts, risks and opportunities and their interaction with strategy and business model [SBM-3]	4.1 General Information on the Sustainability Statement – Material impacts, risks and opportunities and their interaction with strategy and business model [SBM-3]
Description of the processes to identify and assess material impacts, risks and opportunities [IRO-1]	4.1 General Information on the Sustainability Statement – Description of the processes to identify and assess material impacts, risks and opportunities [IRO-1]
Disclosure Requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities [E1.IRO-1]	4.1 General Information on the Sustainability Statement – Description of the processes to identify and assess material climate-related impacts, risks and opportunities [E1.IRO-1]
Disclosure Requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material pollution-related impacts, risks and opportunities [E2.IRO-1]	4.1 General Information on the Sustainability Statement – Description of the processes to identify and assess material pollution-related impacts, risks and opportunities [E2.IRO-1]
Disclosure Requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities [E3.IRO-1]	4.1 General Information on the Sustainability Statement – Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities [E3.IRO-1]
Disclosure Requirement related to ESRS 2 IRO-1 – Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies and opportunities [E4.IRO-1]	4.1 General Information on the Sustainability Statement – Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities [E4.IRO-1]

Disclosure requirements in ESRS covered by the undertaking's sustainability statement [IRO-2]

General disclosures [ESRS 2]	Section
Disclosure Requirement related to ESRS 2 IRO-1 – Description of processes to identify and assess resource use and circular economy-related impacts, risks, dependencies and opportunities [E5.IRO-1]	4.1 General Information on the Sustainability Statement – Description of the processes to identify and assess material impacts, risks and opportunities related to circular economy [E5.IRO-1]
Disclosure Requirement IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities [G1.IRO-1]	4.1 General Information on the Sustainability Statement – Description of the processes to identify and assess material impacts, risks and opportunities related to business conduct [G1.IRO-1]
Disclosure requirements in ESRS covered by the undertaking's Sustainability Statement [IRO-2]	4.1 General Information on the Sustainability Statement – Disclosure requirements in ESRS covered by the undertaking's Sustainability Statement [IRO-2]
Minimum disclosure requirement – Policies MDR-P – Policies adopted to manage material sustainability matters [MDR-P]	In individual topic-specific chapters as well as in Chapter 4.1 General Information on the Sustainability Statement – Holistic policies for managing material sustainability matters [MDR-P]
Minimum disclosure requirement – Actions MDR-A – Actions and resources in relation to material sustainability matters [MDR-A]	In individual topic-specific chapters, for example in Chapter 4.2.3 Pollution – Actions related to pollution due to the handling of substances of (very high) concern according to ESRS [E2-2]
Minimum disclosure requirement – Metrics MDR-M – Metrics in relation to material sustainability matters [MDR-M]	In individual topic-specific chapters, for example in Chapter 4.2.5 Biodiversity and ecosystems – Impact metrics related to biodiversity and ecosystems change: reducing the environmental impact of our crop protection products [E4-5]
Minimum disclosure requirement – Targets MDR-T – Tracking effectiveness of policies and actions through targets [MDR-T]	In individual topic-specific chapters, for example in Chapter 4.2.2 Climate Change – Targets related to climate change mitigation and adaptation [E1-4]
Climate change [ESRS E1]	
Transition plan for climate change mitigation [E1-1]	4.2.2 Climate Change – Our Transition and Transformation Plan for climate protection [E1-1]
Disclosure Requirement SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model [E1.SBM-3]	4.2.2 Climate Change – Material impacts, risks and opportunities and their interaction with strategy and business model [E1.SBM-3]
Policies related to climate change mitigation and adaptation [E1-2]	4.2.2 Climate Change – Policies related to the reduction of greenhouse gas emissions and energy [E1-2] as well as Policies in relation to the adaptation of our business models to climate change [E1-2]
Actions and resources in relation to climate change policies [E1-3]	4.2.2 Climate Change – Actions in relation to reducing greenhouse gas emissions for Scope 1 and Scope 2 through 2029 [E1-3] as well as Actions in relation to reducing greenhouse gas emissions for Scope 3 through 2029 [E1-3] as well as Actions in relation to reducing greenhouse gas emissions for Scope 1, 2 and 3 through 2050 [E1-3] as well as Actions in relation to the reduction of greenhouse gas emissions in agriculture [E1-3] as well as Actions in relation to the adaptation of our business models to climate change [E1-3]
Targets related to climate change mitigation and adaptation [E1-4]	4.2.2 Climate Change – Targets related to climate change mitigation and adaptation [E1-4]
Energy consumption and mix [E1-5]	4.2.2 Climate Change – Energy consumption and mix [E1-5]
Gross Scopes 1, 2, 3 and Total GHG emissions [E1-6]	4.2.2 Climate Change – Greenhouse gas emissions of Scope 1, 2 and 3 and total greenhouse gas emissions [E1-6]
GHG removals and GHG mitigation projects financed through carbon credits [E1-7]	4.2.2 Climate Change – GHG removals and GHG mitigation projects financed through carbon credits [E1-7]
Internal carbon pricing [E1-8]	4.2.2 Climate Change – Internal carbon pricing [E1-8]
Pollution [ESRS E2]	
Policies related to pollution [E2-1]	4.2.3 Pollution – Policies related to pollution due to incidents [E2-1] as well as Policies related to pollution due to the handling of substances of (very high) concern according to ESRS [E2-1]
Actions and resources related to pollution [E2-2]	4.2.3 Pollution – Actions related to pollution due to incidents [E2-2] as well as Actions related to pollution due to the handling of substances of (very high) concern according to ESRS [E2-2]
Targets related to pollution [E2-3]	4.2.3 Pollution – Targets related to pollution [E2-3]
Entity-specific disclosures relating to pollution	4.2.3 Pollution – Pollution of air, water and soil due to environmental incidents resulting from emissions according to Regulation [EC] No. 166/2006 and of substances of concern and very high concern according to ESRS [entity-specific disclosures]
Substances of concern and substances of very high concern [E2-5]	4.2.3 Pollution – Substances of concern and of very high concern according to ESRS [E2-5]

Disclosure requirements in ESRS covered by the undertaking's sustainability statement [IRO-2]

General disclosures [ESRS 2]	Section
Water and marine resources [ESRS E3]	
Policies related to water and marine resources [E3-1]	4.2.4 Water and Marine Resources – Policies related to water scarcity resulting from water consumption [E3-1] as well as Policies related to water availability through product and service innovations [E3-1]
Actions and resources related to water and marine resources [E3-2]	4.2.4 Water and Marine Resources – Actions related to water scarcity resulting from water consumption [E3-2] as well as Actions related to water availability through product and service innovations [E3-2]
Targets related to water and marine resources [E3-3]	4.2.4 Water and Marine Resources – Targets for the efficient use of water in the value chain [E3-3]
Water consumption [E3-4]	4.2.4 Water and Marine Resources – Water consumption [E3-4]
Biodiversity and ecosystems [ESRS E4]	
Transition plan and consideration of biodiversity and ecosystems in strategy and business model [E4-1]	4.2.5 Biodiversity and ecosystems – Transition plan and consideration of biodiversity and ecosystems in strategy and business model [E4-1]
Material impacts, risks and opportunities and their interaction with strategy and business model [E4.SBM-3]	4.2.5 Biodiversity and ecosystems – Material impacts, risks and opportunities and their interaction with strategy and business model [E4.SBM-3]
Policies related to biodiversity and ecosystems [E4-2]	4.2.5 Biodiversity and ecosystems – Policies to reduce soil degradation and the decline in biodiversity on land used for agriculture [E4-2] as well as Policies related to reputational risks [E4-2]
Actions and resources related to biodiversity and ecosystems [E4-3]	4.2.5 Biodiversity and ecosystems – Actions for reducing soil degradation and the decline in biodiversity on land used for agriculture [E4-3] as well as Actions related to reputational risks [E4-3]
Targets related to biodiversity and ecosystems [E4-4]	4.2.5 Biodiversity and ecosystems – Targets related to biodiversity and ecosystems [E4-4]
Impact metrics related to biodiversity and ecosystems change [E4-5]	4.2.5 Biodiversity and ecosystems – Impact metrics related to biodiversity and ecosystems change: reducing the environmental impact of our crop protection products [E4-5]
Resource use and circular economy [ESRS E5]	
Policies related to resource use and circular economy [E5-1]	4.2.6 Circular Economy – Policies related to waste [E5-1]
Actions and resources related to resource use and circular economy [E5-2]	4.2.6 Circular Economy – Actions related to waste [E5-2]
Targets related to resource use and circular economy [E5-3]	4.2.6 Circular Economy – Targets related to circular economy [E5-3]
Resource outflows [E5-5]	4.2.6 Circular Economy – Resource outflows [E5-5]
Own workforce [ESRS S1]	
Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model [S1.SBM-3]	4.3.1 Own Workforce – Material impacts, risks and opportunities and their interaction with strategy and business model [S1.SBM-3]
Policies related to own workforce [S1-1]	4.3.1 Own Workforce – Our principles regarding our own workforce [S1-1] as well as Policies related to fairness and respect at work [S1-1] as well as Policies related to training and development [S1-1] as well as Policies related to adequate wages [S1-1] as well as Policies related to preventive health [S1-1] as well as Policies related to health and safety [S1-1]
Processes to remediate negative impacts and channels for own workforce to raise concerns [S1-3]	4.3.1 Own Workforce – Processes to remediate negative impacts and channels for own workers to raise concerns [S1-3]
Processes for engaging with own workforce and workers' representatives about impacts [S1-2]	4.3.1 Own Workforce – Processes for engaging with the company's own workers and workers' representatives about impacts related to the freedom of association, existence of works councils and the employees' rights to information, consultation and codetermination as well as social dialogue [S1-2]
Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions [S1-4]	4.3.1 Own Workforce – Actions related to fairness and respect at work [S1-4] as well as Actions related to training and development [S1-4] as well as Actions related to adequate wages [S1-4] as well as Actions related to preventive health [S1-4] as well as Actions related to health and safety [S1-4]
Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities [S1-5]	4.3.1 Own Workforce – Targets related to workforce: global gender balance aspirations [S1-5]

Disclosure requirements in ESRS covered by the undertaking's sustainability statement [IRO-2]

General disclosures [ESRS 2]	Section
Characteristics of the undertaking's employees [S1-6]	4.3.1 Own Workforce – Characteristics of the undertaking's employees [S1-6]
Collective bargaining coverage and social dialogue [S1-8]	4.3.1 Own Workforce – Collective bargaining coverage and social dialogue [S1-8]
Diversity metrics [S1-9]	4.3.1 Own Workforce – Diversity metrics [S1-9]
Adequate wages [S1-10]	4.3.1 Own Workforce – Adequate wages [S1-10]
Health and safety metrics [S1-14]	4.3.1 Own Workforce – Health and safety metrics [S1-14]
Remuneration metrics (pay gap and total remuneration) [S1-16]	4.3.1 Own Workforce – Compensation metrics [S1-16]
Incidents, complaints and severe human rights impacts [S1-17]	4.3.1 Own Workforce – Incidents, complaints and severe human rights impacts [S1-17]
Workers in the value chain [ESRS S2]	
Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model [S2.SBM-3]	4.3.2 Workers in the Value Chain – Material impacts, risks and opportunities and their interaction with strategy and business model related to workers in the value chain [S2.SBM-3]
Policies related to value chain workers [S2-1]	4.3.2 Workers in the Value Chain – Policies related to value chain workers [S2-1]
Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions [S2-4]	4.3.2 Workers in the Value Chain – Prevention and mitigation through measures related to value chain workers [S2-4]
Processes for engaging with value chain workers about impacts [S2-2]	4.3.2 Workers in the Value Chain – Processes for engaging with value chain workers about impacts [S2-2]
Processes to remediate negative impacts and channels for value chain workers to raise concerns [S2-3]	4.3.2 Workers in the Value Chain – Processes to remediate negative impacts and channels for value chain workers to raise concerns [S2-3]
Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities [S2-5]	4.3.2 Workers in the Value Chain – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities [S2-5]
Affected communities [ESRS S3]	
Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model [S3.SBM-3]	4.3.3 Affected Communities – Material impacts, risks and opportunities and their interaction with strategy and business model [S3.SBM-3]
Policies related to affected communities [S3-1]	4.3.3 Affected Communities – Policies related to affected communities [S3-1]
Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions [S3-4]	4.3.3 Affected Communities – Actions related to affected communities [S3-4]
Processes for engaging with affected communities about impacts [S3-2]	4.3.3 Affected Communities – Processes for engaging with affected communities about impacts [S3-2]
Processes to remediate negative impacts and channels for affected communities to raise concerns [S3-3]	4.3.3 Affected Communities – Processes to remediate negative impacts and channels for affected communities to raise concerns [S3-3]
Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities [S3-5]	4.3.3 Affected Communities – Targets related to affected communities [S3-5]
Consumers and end-users [ESRS S4]	
Material impacts, risks and opportunities and their interaction with strategy and business model [S4.SBM-3]	4.3.4 Consumers and End-Users – Material impacts, risks and opportunities and their interaction with strategy and business model related to consumers and end-users [S4.SBM-3]
Policies related to consumers and end-users [S4-1]	4.3.4 Consumers and End-Users – Policies related to the social involvement of consumers and/or end-users [S4-1] as well as Policies related to the personal safety of consumers and/or end-users [S4-1] as well as Policies related to access to information by consumers and/or end-users [S4-1]
Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions [S4-4]	4.3.4 Consumers and End-Users – Actions related to the social involvement of consumers and/or end-users [S4-4] as well as Actions related to the personal safety of consumers and/or end-users [S4-4]
Processes for engaging with consumers and end-users about impacts [S4-2]	4.3.4 Consumers and End-Users – Processes for engaging with consumers and end-users about impacts [S4-2]

Disclosure requirements in ESRS covered by the undertaking's sustainability statement [IRO-2]

General disclosures [ESRS 2]	Section
Processes to remediate negative impacts and channels for consumers and end-users to raise concerns [S4-3]	4.3.4 Consumers and End-Users – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns [S4-3]
Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities [S4-5]	4.3.4 Consumers and End-Users – Targets for managing material negative impacts, advancing positive impacts, and managing material risks and opportunities [S4-5]
Business conduct [ESRS G1]	
Business conduct policies and corporate culture [G1-1]	4.4.1 Business Conduct – Corporate culture and business conduct policies [G1-1]
Management of relationships with suppliers [G1-2]	4.4.1 Business Conduct – Management of relationships with suppliers [G1-2]
Prevention and detection of corruption and bribery [G1-3]	4.4.1 Business Conduct – Prevention and detection of corruption and bribery [G1-3]
Incidents of corruption or bribery [G1-4]	4.4.1 Business Conduct – Confirmed incidents of corruption or bribery [G1-4]
Political influence and lobbying activities [G1-5]	4.4.1 Business Conduct – Political influence and lobbying activities [G1-5]

4.6 Data Points From Other EU Legal Regulations

The following overview shows all data points resulting from other EU legal regulations that we took into account when preparing our Sustainability Statement.

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List of datapoints in cross-cutting and topical standards that derive from other EU legislation

Disclosure Requirement and related datapoint	Section
ESRS 2 GOV-1 Board's gender diversity, paragraph 21 (d)	4.1 General Information on the Sustainability Statement – The role of the administrative, management and supervisory bodies [GOV-1]
ESRS 2 GOV-1 Percentage of board members who are independent, paragraph 21 (e)	4.1 General Information on the Sustainability Statement – The role of the administrative, management and supervisory bodies [GOV-1]
ESRS 2 GOV-4 Statement on due diligence, paragraph 30	4.1 General Information on the Sustainability Statement – Statement on due diligence [GOV-4]
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities, paragraph 40 (d) i	Not material
ESRS 2 SBM-1 Involvement in activities related to chemical production, paragraph 40 (d) ii	4.1 General Information on the Sustainability Statement – Strategy, business model and value chain [SBM-1]
ESRS 2 SBM-1 Involvement in activities related to controversial weapons, paragraph 40 (d) iii	Not material
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco, paragraph 40 (d) iv	Not material
ESRS E1-1 Transition plan to reach climate neutrality by 2050, paragraph 14	4.2.2 Climate Change – Our Transition and Transformation Plan for climate protection [E1-1]
ESRS E1-1 Undertakings excluded from Paris-aligned benchmarks, paragraph 16 (g)	4.2.2 Climate Change – Our Transition and Transformation Plan for climate protection [E1-1]
ESRS E1-4 GHG emission reduction targets, paragraph 34	4.2.2 Climate Change – Targets related to climate change mitigation and adaptation [E1-4]
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors), paragraph 38	4.2.2 Climate Change – Energy consumption and mix [E1-5]
ESRS E1-5 Energy consumption and mix, paragraph 37	4.2.2 Climate Change – Energy consumption and mix [E1-5]
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors, paragraphs 40 to 43	4.2.2 Climate Change – Energy consumption and mix [E1-5]
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions, paragraph 44	4.2.2 Climate Change – Greenhouse gas emissions of Scope 1, 2 and 3 and total greenhouse gas emissions [E1-6]
ESRS E1-6 Gross GHG emissions intensity, paragraphs 53 to 55	4.2.2 Climate Change – Greenhouse gas emissions of Scope 1, 2 and 3 and total greenhouse gas emissions [E1-6]
ESRS E1-7 GHG removals and carbon credits, paragraph 56	4.2.2 Climate Change – GHG removals and GHG mitigation projects financed through carbon credits [E1-7]
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks, paragraph 66	Phase-in disclosure
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk, paragraph 66 (a)	Phase-in disclosure
ESRS E1-9 Location of significant assets at material physical risk, paragraph 66 (c)	Phase-in disclosure
ESRS E1-9 Breakdown of the carrying value of real estate assets by energy-efficiency classes, paragraph 67 (c)	Phase-in disclosure
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities, paragraph 69	Phase-in disclosure
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Not material
ESRS E3-1 Water and marine resources, paragraph 9	4.2.4 Water and Marine Resources – Policies related to water scarcity resulting from water consumption [E3-1]
ESRS E3-1 Dedicated policy, paragraph 13	4.2.4 Water and Marine Resources – Policies related to water scarcity resulting from water consumption [E3-1]
ESRS E3-1 Sustainable oceans and seas, paragraph 14	Not material
ESRS E3-4 Total water recycled and reused, paragraph 28 (c)	4.2.4 Water and Marine Resources – Water consumption [E3-4]
ESRS E3-4 Total water consumption in m^3 per net revenue on own operations, paragraph 29	4.2.4 Water and Marine Resources – Water consumption [E3-4]

List of datapoints in cross-cutting and topical standards that derive from other EU legislation

Disclosure Requirement and related datapoint	Section
ESRS 2 SBM-3 E4, paragraph 16 (a) i	Not material
ESRS 2 SBM-3 E4, paragraph 16 (b)	Not material
ESRS 2 SBM-3 E4, paragraph 16 (c)	Not material
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b) as well as Policies related to reputational risks [E4-2]	4.2.5 Biodiversity and ecosystems – Policies to reduce soil degradation and the decline in biodiversity on land used for agriculture [E4-2]
ESRS E4-2 Sustainable oceans / seas practices or policies, paragraph 24 (c)	Not material
ESRS E4-2 Policies to address deforestation, paragraph 24 (d)	Not material
ESRS E5-5 Nonrecycled waste, paragraph 37 (d)	4.2.6 Circular Economy – Resource outflows [E5-5]
ESRS E5-5 Hazardous waste and radioactive waste, paragraph 39	4.2.6 Circular Economy – Resource outflows [E5-5]
ESRS 2 SBM3 – S1 Risk of incidents of forced labor, paragraph 14 (f)	4.3.1 Own Workforce – Material impacts, risks and opportunities and their interaction with strategy and business model [S1.SBM-3]
ESRS 2 SBM3 – S1 Risk of incidents of child labor, paragraph 14 (g)	4.3.1 Own Workforce – Material impacts, risks and opportunities and their interaction with strategy and business model [S1.SBM-3]
ESRS S1-1 Human rights policy commitments, paragraph 20	4.3.1 Own Workforce – Our principles regarding our own workforce [S1-1]
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21	4.3.1 Own Workforce – Our principles regarding our own workforce [S1-1]
ESRS S1-1 Processes and measures for preventing trafficking in human beings, paragraph 22	4.3.1 Own Workforce – Our principles regarding our own workforce [S1-1]
ESRS S1-1 Workplace accident prevention policy or management system, paragraph 23	4.3.1 Own Workforce – Our principles regarding our own workforce [S1-1] as well as Policies related to health and safety [S1-1]
ESRS S1-3 Grievance/complaints handling mechanisms, paragraph 32 (c)	4.3.1 Own Workforce – Processes to remediate negative impacts and channels for own workers to raise concerns [S1-3]
ESRS S1-14 Number of fatalities and number and rate of work-related accidents, paragraph 88 (b) and (c)	4.3.1 Own Workforce – Health and safety metrics [S1-14]
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness, paragraph 88 (e)	4.3.1 Own Workforce – Health and safety metrics [S1-14]
ESRS S1-16 Unadjusted gender pay gap, paragraph 97 (a)	4.3.1 Own Workforce – Compensation metrics [S1-16]
ESRS S1-16 Excessive CEO pay ratio, paragraph 97 (b)	4.3.1 Own Workforce – Compensation metrics [S1-16]
ESRS S1-17 Incidents of discrimination, paragraph 103 (a)	4.3.1 Own Workforce – Incidents, complaints and severe human rights impacts [S1-17]
ESRS S1-17 Nonrespect of UNGPs on Business and Human Rights and OECD, paragraph 104 (a)	4.3.1 Own Workforce – Incidents, complaints and severe human rights impacts [S1-17]
ESRS 2- SBM3 – S2 Significant risk of child labor or forced labor in the value chain, paragraph 11 (b)	4.3.2 Workers in the Value Chain – Material impacts, risks and opportunities and their interaction with strategy and business model related to workers in the value chain [S2.SBM-3]
ESRS S2-1 Human rights policy commitments, paragraph 17	4.3.2 Workers in the Value Chain – Policies related to value chain workers [S2-1]
ESRS S2-1 Strategy related to value chain workers, paragraph 18	4.3.2 Workers in the Value Chain – Policies related to value chain workers [S2-1]
ESRS S2-1 Nonrespect of UNGPs on Business and Human Rights principles and OECD guidelines, paragraph 19	Not material
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19	4.3.2 Workers in the Value Chain – Policies related to value chain workers [S2-1]
ESRS S2-4 Human rights issues and incidents connected to upstream and downstream value chain, paragraph 36	4.3.2 Workers in the Value Chain – Prevention and mitigation through measures related to value chain workers [S2-4]
ESRS S3-1 Human rights policy commitments, paragraph 16	4.3.3 Affected Communities – Policies related to affected communities [S3-1]
ESRS S3-1 Nonrespect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines, paragraph 17	4.3.3 Affected Communities – Policies related to affected communities [S3-1]
ESRS S3-4 Human rights issues and incidents, paragraph 36	4.3.3 Affected Communities – Material impacts, risks and opportunities and their interaction with strategy and business model related to consumers and end-users [S4.SBM-3]

List of datapoints in cross-cutting and topical standards that derive from other EU legislation

Disclosure Requirement and related datapoint	Section
ESRS S4-1 Policies related to consumers and end-users, paragraph 16	4.3.4 Consumers and End-Users – Policies related to the social involvement of consumers and/or end-users [S4-1] as well as Policies related to the personal safety of consumers and/or end-users [S4-1] as well as Policies related to access to information by consumers and/or end-users [S4-1]
ESRS S4-1 Nonrespect of UNGPs on Business and Human Rights and OECD guidelines, paragraph 17	4.3.4 Consumers and End-Users – Policies related to the social involvement of consumers and/or end-users [S4-1] as well as Policies related to the personal safety of consumers and/or end-users [S4-1] as well as Policies related to access to information by consumers and/or end-users [S4-1]
ESRS S4-4 Human rights issues and incidents, paragraph 35	4.3.4 Consumers and End-Users – Actions related to the social involvement of consumers and/or end-users [S4-4] as well as Actions related to the personal safety of consumers and/or end-users [S4-4]
ESRS G1-1 United Nations Convention against Corruption, paragraph 10 (b)	Not material
ESRS G1-1 Protection of whistle-blowers, paragraph 10 (d)	Not material
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws, paragraph 24 (a)	4.4.1 Business Conduct – Confirmed incidents of corruption or bribery [G1-4]
ESRS G1-4 Standards of anti-corruption and anti-bribery, paragraph 24 (b)	Not material

5. Corporate Governance Report

The Corporate Governance Report of the Bayer Group conforms with the recommendations of the German Corporate Governance Code and includes a Declaration by Corporate Management pursuant to Sections 289f and 315d of the German Commercial Code (HGB), as well as all the information and explanations required by Section 289a through e and Section 315a through d of the German Commercial Code (HGB). The contents of the Corporate Governance Report are also included in the Management Report. In accordance with Section 317, Paragraph 2, Sentence 6 of the German Commercial Code (HGB), the information contained in the Declaration by Corporate Management is not taken into account in the audit of the financial statements.

5.1 Declaration by Corporate Management Pursuant to Sections 289f and 315d of the German Commercial Code (HGB)

With the Declaration by Corporate Management pursuant to Sections 289f and 315d of the German Commercial Code (HGB) for Bayer AG and the Bayer Group, the company provides information on the main elements of the Bayer Group's corporate governance structures, relevant corporate governance practices, and the composition and duties of the Board of Management, the Supervisory Board and their committees, as well as the defined objectives and concepts that are applied for the composition of the Board of Management and the Supervisory Board.

Declaration concerning the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act (AktG)

In December 2025, the Board of Management and Supervisory Board of Bayer AG issued the annual declaration concerning the German Corporate Governance Code, stating that Bayer AG has fully complied with the recommendations of the German Corporate Governance Code since the previous declaration and intends to maintain full compliance with the recommendations contained in the April 28, 2022, version thereof in the future.

Availability of compensation report and information on compensation system and compensation resolution

The Compensation Report for 2025, Independent Auditor's Report, information on our compensation system and the most recent resolution on compensation are publicly accessible at www.bayer.com/cpr.

Information on corporate governance practices

Bayer AG is subject to German stock corporation law and therefore has a dual governance system consisting of the Board of Management and the Supervisory Board, which manage the company based on a transparent strategy that is geared toward its long-term success and complies with applicable law and ethical standards.

Corporate governance practices that go beyond statutory regulations are derived from our mission, "Health for all, Hunger for none," as well as from our Dynamic Shared Ownership (DSO) organizational principles, our Code of Conduct and a small number of further policies. The main guidelines are summarized primarily in our Code of Conduct, which contains, among other aspects, important policies pertaining to compliance and dealings with key stakeholders. The organization and oversight obligations of the Board of Management and the Supervisory Board are mainly ensured by compliance management and risk management systems.

Board of Management

Composition, objectives (diversity concept) and succession planning

In 2025, the Board of Management of Bayer AG comprised six members. The Board of Management runs the company on its own responsibility with the goal of achieving defined corporate objectives and sustainably increasing the company's enterprise value.

With regard to the composition of the Board of Management, the Supervisory Board takes into account specialist expertise and personal aptitude, as well as aspects such as age, gender, education and professional background. Pursuant to Section 76, Paragraph 3a of the German Stock Corporation Act (AktG), the Supervisory Board must ensure that the Board of Management includes at least one woman and at least one man if it consists of three or more members.

An additional aspect relating to the composition of the Board of Management that the Supervisory Board has resolved to pursue is diversity. Without basing selection decisions on this aspect in individual cases, the Supervisory Board aims to ensure that different age groups are adequately represented on the Board of Management, while also taking into account the experience required for a position on the Board of Management. Irrespective of this, members of the Board of Management should generally step down from that office when they turn 65. This threshold had previously been set at 63. However, after conducting a review and comparing it with market practice and general developments, the Supervisory Board changed the threshold to 65. In addition, the composition of the Board of Management should adequately reflect the company's international operations. The Supervisory Board therefore endeavors to include on the Board of Management several members of different nationalities or with an international background (e.g., several years of career experience outside Germany or oversight of foreign business activities). The Supervisory Board also strives to ensure diversity with regard to the educational and professional backgrounds of the members of the Board of Management. In addition to the specific professional expertise and the management and leadership experience required for the given role, members of the Board of Management should cover the broadest possible spectrum of knowledge, experience, and educational and professional backgrounds.

These objectives are taken into account when selecting candidates to fill open positions on the Board of Management. In doing so, the Supervisory Board aims to ensure not just the greatest possible individual suitability of its various members, but also that as many different perspectives as possible are represented in the leadership of the company through a balanced and diverse Board of Management structure, and that the candidate selection pool is as large as possible.

In accordance with the statutory requirements of the Second Leadership Positions Act (FüPoG II), there are also targets pertaining to the proportion of women at the first and second management levels below the Board of Management. The Board of Management has set targets of 35%[38, 39] women at the first management level of Bayer AG and 35%[39, 40] women at the second management level, too. These targets are to be attained by June 30, 2027.

As part of the succession planning process, the Board of Management informs the Supervisory Board about candidates who have been identified as having the potential to become a member of the Board of Management. Among other things, the Supervisory Board places emphasis on extensive talent development at the management level below the Board of Management while taking into account the diversity criteria outlined above. The Supervisory Board endeavors to meet the respective candidates personally during presentations given to the Supervisory Board or its committees, or on other occasions. The company has identified candidates who would be able to step in to replace individual Board of Management members and assume their roles at short notice, if required. Whenever it becomes clear that there will be an empty seat on the Board of Management, efforts are undertaken to

[38] Formal target pursuant to FüPoG II: 36 16/19%
[39] Based on the target size, the formal target pursuant to FüPoG II indicates the percentage to be specified that results in a whole headcount based on the current size of the group.
[40] Formal target pursuant to FüPoG II: 35 35/199%

identify and evaluate prospective candidates inside and outside the company. When necessary, an HR consulting firm is brought in to aid the process.

On November 6, 2025, the Supervisory Board appointed Judith Hartmann as a member of the Board of Management effective March 1, 2026. She will subsequently succeed Wolfgang Nickl as Chief Financial Officer when he steps down on May 31, 2026.

Implementation status of the objectives

In line with the objectives, different age groups are represented on the Board of Management, while also taking into account the experience required for Board of Management positions. The ages of the members of the Board of Management in office on December 31, 2025, ranged from 52 to 61 years as of this date. Three of the six members of the Board of Management serving as of December 31, 2025, are citizens of a country other than Germany. All members of the Board of Management have amassed many years of career experience outside Germany. The members of the Board of Management also have diverse professional backgrounds. The legal requirement that the Board of Management must include at least one woman and at least one man has been met.

Duties and committees

The Board of Management performs its duties according to the law, the Articles of Incorporation and the Board of Management's Rules of Procedure, which govern in detail the provision of information to the Supervisory Board, for example. It also works with the company's other governance bodies in a spirit of trust. There are no Board of Management committees.

Supervisory Board

Composition and objectives (diversity concept and expertise profile)

Under the German Codetermination Act (MitbestG), half of the Supervisory Board's 20 members are elected by stockholders, and the other half by the company's employees.

The Supervisory Board endeavors to ensure that its members collectively possess the necessary expertise, skills and professional experience to properly perform their duties. This includes the following areas: management and leadership of international companies, business acumen in the company's main areas of activity, research and development, finance, internal controls/risk management, human resources, governance/compliance, digitalization (including IT, AI and cybersecurity) and key sustainability aspects for the company, such as climate protection and biodiversity.

The Supervisory Board has also resolved to pursue diversity in its own composition, for instance with regard to age, gender, education and professional background. This is aimed at ensuring that the oversight of the company incorporates the broadest possible range of perspectives, and at keeping the candidate pool as large as possible. In view of the international business alignment of Bayer AG, the Supervisory Board strives to ensure at all times that several of its members have international business experience or an international background in other respects. Further objectives concerning the composition of the Supervisory Board are that different age groups be suitably represented on the Supervisory Board and that, absent special circumstances, a member should not hold office beyond the end of the next Annual Stockholders' Meeting following their 72nd birthday. With a view to avoiding potential conflicts of interest and taking into account the ownership structure of the company and the number of independent Supervisory Board members, the Supervisory Board has set itself the goal that more than half of the stockholder representatives be independent. The Supervisory Board assesses the independence of its members according to the recommendation contained in Section C.7 of the German Corporate Governance Code. The Supervisory Board endeavors to ensure that the terms of office of its members are evenly spread, with members serving for no longer than 12 years. This guideline around restricting the term of office came into effect at the start of 2024. For Supervisory Board members who were already serving at the time it was adopted in 2023, the restriction will not apply until their current term of office comes to an end.

The Nomination Committee and the full Supervisory Board take these objectives into consideration when selecting candidates to fill open positions on the Supervisory Board. The stated objectives relate to the Supervisory Board as a whole, unless otherwise determined. However, since the Supervisory Board can only nominate candidates for election as stockholder representatives, it can only take the

objectives into account in these nominations. One objective for Supervisory Board elections is that neither women nor men account for less than 30% of the membership, in line with the legal requirements.

Alberto Weisser, a stockholder representative on the Supervisory Board, was reelected to the Supervisory Board at the Annual Stockholders' Meeting on April 25, 2025, when his previous term of office was due to end. He was reelected for a period of four years.

Implementation status of the objectives

The Supervisory Board has several members with international business experience or an international background. The ages of the members of the Supervisory Board ranged from 44 to 71 years (stockholder representatives: 53 to 71 years) as of December 31, 2025. One member of the Supervisory Board, Dr. Paul Achleitner, has been a member of the Supervisory Board for more than 12 years. As such, the Supervisory Board does not consider him to be independent as defined in Section C.7 of the German Corporate Governance Code. However, the Supervisory Board does not harbor any concerns about Dr. Achleitner's impartiality or any potential conflicts of interest.

The stockholder-representative side of the Supervisory Board considers the stockholder representatives Horst Baier, Ertharin Cousin, Colleen A. Goggins, Kimberly Mathisen, Lori Schechter, Nancy Simonian, Jeffrey Ubben, Alberto Weisser and Prof. Dr. Norbert Winkeljohann to be independent. The proportion of women on the Supervisory Board is currently 55% for the Supervisory Board as a whole, 60% for the employee representatives and 50% for the stockholder representatives. Nine of the 20 members of the Supervisory Board are citizens of a country other than Germany. Numerous other members have many years of international business experience. The members of the Supervisory Board have also completed a wide range of vocational training and study courses.

The Supervisory Board endeavors to ensure that an adequate number of members possess expertise and experience in each of the following categories:

International business experience: Experience in a complex international organization and an understanding of different business and legal requirements

Research and development: Experience in research and development, innovation or new technologies in a major company or another large organization

Agriculture/food: Experience in the agriculture, fertilizer or food industries that has been gained through positions of responsibility in these sectors

Healthcare: Experience in the healthcare industry, including in research, development, production, distribution, medical work and/or management

Finance: Experience in accounting, auditing, controlling, financing and/or the capital market

Internal controls/risk management: Experience in internal controls, risk management and/or internal auditing

Human resources: Experience in recruitment, talent development, succession planning, workplace culture, compensation and/or human capital management

Governance/compliance: Experience in corporate governance, regulation, compliance, law, public policy/political science and/or government relations

Digitalization: Experience in IT, digital transformation, cybersecurity, AI and/or data privacy

Sustainability/climate protection: Experience in sustainability, ESG, climate protection, renewable energies, biodiversity and/or environmental protection

For the purposes of the qualification matrices below, the Supervisory Board primarily considers its members to possess expertise and experience in the corresponding areas if they have completed professional training in that field or have amassed many years of professional experience (including several years as a member of the Supervisory Board or one of its respective committees).

In the opinion of the Supervisory Board, the stockholder representatives have the following special expertise and experience, as well as the following independence status:

A 5.1/1

Expertise and experience of shareholder representatives on the Supervisory Board

	International business experience	R&D	Agriculture/ food	Healthcare	Finance	Internal controls/ risk management	HR	Governance/ compliance	Digital	Sustainability/ climate protection	Independence
Dr. Paul Achleitner	X				X	X	X	X			
Horst Baier	X				X	X	X	X		X	X
Ertharin Cousin	X		X				X	X		X	X
Colleen A. Goggins	X			X			X				X
Kimberly Mathisen	X	X	X	X			X		X	X	X
Lori Schechter	X			X		X	X	X			X
Dr. Nancy Simonian	X	X		X	X	X					X
Jeffrey Ubben	X		X		X	X				X	X
Alberto Weisser	X		X		X	X	X	X		X	X
Prof. Dr. Norbert Winkeljohann (Chairman)	X				X	X	X	X	X	X	X

Horst Baier, Chairman of the Audit Committee, also has special expertise regarding the application of accounting standards and internal control and risk management systems. This expertise is based on knowledge and experience gained in part through his previous work as head of finance and accounting and as the CFO of a publicly listed company. Norbert Winkeljohann, Chairman of the Supervisory Board and a member of the Audit Committee, has special expertise in the field of auditing. This expertise is based on his training as an auditor, academic work in this field and longstanding experience as an external auditor for publicly listed companies and as a partner and chairman of the management board of an international auditing company. In addition, Horst Baier and Norbert Winkeljohann both possess special expertise in the area of sustainability reporting and auditing. Of the other members of the Audit Committee, Jeffrey Ubben, managing partner and founder of several investment funds, and Frank Löllgen, a longstanding member of the Audit Committee, have special expertise in accounting and auditing.

In the opinion of the Supervisory Board, the employee representatives have the following special expertise and experience:

A 5.1/2

Expertise and experience of employee representatives on the Supervisory Board

	International business experience	R&D	Agriculture/ food	Healthcare	Finance	Internal controls/ risk management	HR	Governance/ compliance	Digital	Sustainability/ climate protection
André van Broich	X	X	X				X	X		
Nadine Dietz	X						X		X	
Yasmin Fahimi		X				X	X	X		X
Francesco Grioli	X				X	X	X	X	X	
Heike Hausfeld	X						X	X	X	
Frank Löllgen	X	X			X	X	X	X		
Marianne Maehl		X	X				X			
Andrea Sacher		X		X			X			
Claudia Schade							X			
Michael Westmeier				X	X	X	X			

Duties and committees

The role of the Supervisory Board is to oversee and advise the Board of Management. The Supervisory Board is directly involved in decisions on matters of fundamental importance to the company, regularly conferring with the Board of Management on the company's strategic alignment and the implementation status of the business strategy. The Report of the Supervisory Board in this Annual Report provides details about the work of the Supervisory Board and its committees. In addition to the Presidial Committee and the Nomination Committee, the Supervisory Board also has an ESG Committee to oversee and advise the Board of Management on matters relating to sustainability. Furthermore, the Human Resources and Compensation Committee focuses on succession planning and Board of Management compensation. The Audit Committee discusses the audit risk assessment, the audit strategy and audit planning, as well as the audit results with the independent auditor. As part of this process, the Chairman of the Audit Committee regularly discusses the progress of the audit with the independent auditor, including during conversations held outside the meetings of the Audit Committee, and reports to the Committee. The Audit Committee consults with the independent auditor on a regular basis, both with and without the Board of Management present. The Supervisory Board also has a Legal Risk Committee. Its role is to coordinate the exercise of the rights and duties of the Supervisory Board with regard to existing or impending administrative and court proceedings with considerable significance for the company or the Group, as well as measures to resolve, avert or contain these legal risks.

The Supervisory Board has set itself Rules of Procedure that are published on the company's website. These rules govern various aspects, such as how conflicts of interest are handled. In line with the recommendations of the German Corporate Governance Code, the Rules of Procedure state that conflicts of interest must be disclosed to the Chairman of the Supervisory Board, and that material conflicts of interest that are not merely temporary in nature shall result in the termination of that person's appointment to the Supervisory Board.

When new members join the Supervisory Board, a series of introductory meetings are arranged with the members of the Board of Management and with representatives from specialist functions to introduce them to their work on the Supervisory Board, and informational material is also provided in written form.

In addition, training sessions are regularly organized for members of the Supervisory Board. In 2025, these sessions focused on research and development in the Pharmaceuticals and Consumer Health businesses, climate protection and human rights, and the use of AI. In 2025, the Supervisory Board conducted a self-assessment to evaluate how effectively it performs its duties. An external consultant was brought in to aid the process. For more information on the Supervisory Board members, please see section D (Governance Bodies) of this Annual Report.

Further information

Securities transactions by members of governance bodies

Members of the Board of Management or Supervisory Board and their close relatives are legally obligated to report own-account transactions in Bayer AG shares or debt securities, associated derivatives or other associated financial instruments to Bayer AG and the German Federal Financial Supervisory Authority (BaFin) as soon as the total volume of transactions made by a member of the Board of Management or Supervisory Board, or a close relative, has reached the €20,000 threshold within a calendar year. The transactions reported to Bayer AG in 2025 were duly published and can be viewed on the company's website.

5.2 Takeover-Relevant Information

Explanatory report pursuant to Section 289a and Section 315a of the German Commercial Code (HGB)

The capital stock of Bayer AG amounted to €2,515,005,649.92 as of December 31, 2025, divided into 982,424,082 no-par registered shares. The capital stock and the number of shares were thus unchanged from the end of the previous year. Each share confers one voting right. A small number of shares may be subject to temporary trading restrictions, such as retention periods, in connection with employee stock participation programs. We received no notifications in 2025 of direct or indirect holdings of shares in Bayer AG that exceed 10% of the capital stock. The company is therefore not in possession of any notifications of holdings that exceed 10% of the capital stock.

The appointment and dismissal of members of the Board of Management are subject to the provisions of Sections 84 and 85 of the German Stock Corporation Act (AktG), Section 31 of the German Codetermination Act (MitbestG) and Section 6 of the company's Articles of Incorporation. Pursuant to Section 84, Paragraph 1 of the German Stock Corporation Act (AktG), the members of the Board of Management are appointed and dismissed by the Supervisory Board. The Supervisory Board may appoint one member of the Board of Management to be the Chairman of the Board of Management (CEO) pursuant to Section 84, Paragraph 2 of the German Stock Corporation Act (AktG) and Section 6, Paragraph 1 of the Articles of Incorporation. Pursuant to Section 84, Paragraph 3 of the German Stock Corporation Act (AktG), the Supervisory Board must grant a Board of Management member's request to revoke their appointment to the Board of Management in certain cases, and must also guarantee that member's reappointment after certain periods. Since Bayer AG falls within the scope of the German Codetermination Act (MitbestG), Section 31 of that act governs the voting majority required for the appointment or dismissal of members of the Board of Management as well as the voting procedure within the Supervisory Board. Under Section 6, Paragraph 1 of the Articles of Incorporation of Bayer AG, the number of members of the Board of Management is determined by the Supervisory Board but must be at least two. As a publicly listed company that is subject to the German Codetermination Act (MitbestG), Bayer AG must ensure under Section 76, Paragraph 3a of the German Stock Corporation Act (AktG) that its Board of Management includes at least one man and one woman if the number of members is greater than three.

Any amendments to the Articles of Incorporation are made pursuant to Section 179 of the German Stock Corporation Act (AktG) and Sections 10 and 17 of the Articles of Incorporation. Under Section 179, Paragraph 1 of the German Stock Corporation Act (AktG), amendments to the Articles of Incorporation require a resolution of the Stockholders' Meeting. Pursuant to Section 179, Paragraph 2 of the German Stock Corporation Act (AktG), this resolution must be passed by a majority of three-quarters of the voting capital represented at the meeting, unless the Articles of Incorporation provide for a different majority. However, where an amendment relates to a change in the object of the company, the Articles of Incorporation may only specify a larger majority. Section 17, Paragraph 2 of the Articles of Incorporation of Bayer AG utilizes the scope for deviation pursuant to Section 179, Paragraph 2 of the German Stock Corporation Act (AktG) and provides that resolutions may be passed by a simple majority of the votes cast or, where a capital majority is required, by a simple majority of the capital represented. Pursuant to Section 10, Paragraph 9 of the Articles of Incorporation, the Supervisory Board may resolve on amendments to the Articles of Incorporation that relate solely to their wording.

The Annual Stockholders' Meeting held on April 25, 2025, gave the Board of Management the authorization to increase the company's capital stock until April 24, 2028, subject to Supervisory Board approval, by way of a one-off issuance or multiple partial issuances, including in various tranches issued simultaneously, up to a total of €875 million against cash contributions (Authorized Capital 2025). In such a case, stockholders shall generally be granted subscription rights. However, the Board of Management is authorized, subject to Supervisory Board approval, to disapply stockholders' subscription rights in whole or in part where such action would be required in order to prevent any fractional shares from arising as a result of the subscription ratio as part of any such capital increase.

The Annual Stockholders' Meeting held on April 26, 2024, resolved that the Board of Management be authorized to purchase and dispose of own shares representing up to 10% of the capital stock existing at the time the resolution was adopted. This authorization expires on April 25, 2029. The authorization to purchase own shares also includes the purchase of own shares using put or call options (derivatives) up to a volume of 5% of the capital stock existing at the time the resolution was adopted or at the time the authorization is exercised. Stockholders' subscription rights may be excluded, depending on the purpose for which the purchased own shares are to be used.

A material agreement that is subject to the condition precedent of a change of control pertains to the €5 billion syndicated credit facility arranged by Bayer AG and its US subsidiary Bayer Corporation. This undrawn facility is available until December 2030, with a one-year extension option that is nonbinding for the banks. The participating banks are entitled to terminate the credit facility in the event of a change of control at Bayer and demand repayment of any loans that may have been granted under this facility up to that time. A change of control clause is also contained in the terms of two credit facilities for a total combined amount of €800 million that were concluded by Bayer AG in November 2024 and January 2025, respectively, and have since been drawn in full. The participating banks are entitled to terminate the credit facility in the event of a change of control at Bayer and demand repayment of any loans granted under this facility up to that time. A corresponding clause is also contained in two further undrawn credit facilities with volumes of €750 million each that were concluded in September 2025.

In 2018, Bayer Capital Corporation B. V. issued a bond with a nominal volume of €5 billion and Bayer US Finance II LLC issued, in 144A/Reg S format, a US$15 billion bond and another US$5.7 billion bond. All three bonds are guaranteed by Bayer AG. Holders of these bonds have the right to demand the redemption of the bonds by Bayer AG in the event of a change of control if Bayer AG's credit rating were to deteriorate within 120 days after such change of control becomes effective, although the period for a potential deterioration of Bayer AG's credit rating is only 60 days in the case of the US$15 billion bond and the US$5.7 billion bond. As of December 31, 2025, the original US$15 billion bond had an outstanding amount of US$6.5 billion, the original US$5.7 billion bond had an outstanding amount of US$3.6 billion, and the original €5 billion bond had an outstanding amount of €3.3 billion.

The terms of the €3 billion note issued by Bayer under its Debt Issuance Program in 2023, the full amount of which was outstanding as of December 31, 2025, also contain a corresponding change-of-control clause associated with a deterioration of the credit rating within 120 days. Clauses to this effect were also included in the terms of the nominal €6 billion bond issued by Bayer AG in 2020, which had an outstanding amount of €4.5 billion as of December 31, 2025; the nominal €4 billion bond issued by Bayer AG in 2021, which had an outstanding amount of €2.8 billion as of December 31, 2025; the nominal €400 million bond issued by Bayer AG in August 2025, the full amount of which was outstanding as of December 31, 2025; the nominal CHF 265 million bond issued by Bayer AG in September 2025, the full amount of which was outstanding as of December 31, 2025; and the US$5.75 billion bond in 144A/Reg S format issued in November 2023 by Bayer US Finance LLC and guaranteed by Bayer AG, the full amount of which was outstanding as of December 31, 2025. In the case of the US$5.75 billion bond, the period for a potential deterioration of Bayer AG's credit rating is only 60 days.

In the event of a change of control, members of the Board of Management are entitled to a severance payment of 250% of annual base compensation if certain narrow conditions are met. The payment is limited to the compensation for the remaining term of the contract, capped at twice the annual compensation.

6. Information on Bayer AG

Business lease agreements are in place between Bayer AG on the one hand, and Bayer CropScience AG and Bayer Pharma AG – the former parent companies of the divisions Crop Science and Pharmaceuticals – on the other. Bayer AG as lessee manages these two companies' operational businesses on the basis of these agreements. In addition to its holding company function, Bayer AG thus also performs the parent company functions with respect to the two divisions.

Bayer AG is a generator and supplier of utilities at multiple locations and thus constitutes an energy utility as defined in Section 3, No. 18 of the German Energy Industry Act (EnWG). Since utility supply networks are operated by a subsidiary, Bayer AG also constitutes a vertically integrated energy utility under Section 3, No. 38 of the German Energy Industry Act (EnWG). However, regarding its own activities, it is only subject to the separate accounting obligation and not the obligation to prepare activity reports.

The financial statements of Bayer AG are prepared in accordance with the German Commercial Code (HGB) and the German Stock Corporation Act (AktG). Since the company is an integrated energy utility, the provisions of Section 6b of the German Energy Industry Act (EnWG) are also observed.

6.1 Earnings Performance of Bayer AG

A 6.1/1

Bayer AG summary income statements according to the German Commercial Code (HGB)

€ million	2024	2025
Net sales	14,866	14,116
Increase or decrease in inventories of finished goods and work in process	(43)	(101)
Other own work capitalized	33	29
Other operating income	3,108	3,589
Cost of materials	(10,351)	(9,945)
Personnel expenses	(2,543)	(2,420)
Write-downs on intangible assets and property, plant and equipment	(91)	(131)
Other operating expenses	(8,025)	(7,070)
Operating income	**(3,046)**	**(1,933)**
Income from investments in affiliated companies – net	11,292	2,233
Interest income/expense – net	(968)	(260)
Other financial income/expense – net	60	20
Nonoperating income	**10,384**	**1,993**
Income taxes and other taxes	(10)	56
Income after taxes/net income	**7,328**	**116**
Allocation to other retained earnings	(3,664)	(8)
Distributable profit	**3,664**	**108**

Development of earnings

Bayer AG exceeded its 2025 sales forecast of €13.5 billion by 5%. Sales performance in the Pharmaceuticals Division was slightly better than projected, with the expiration of Xarelto™ patents having a less pronounced impact than expected. This division also benefited from additional sales due to unplanned inventory buildup effects for Adempas™. Sales in the Crop Science Division came in below expectations due to lower prices for crop protection products. Sales from the internal charging-on of costs for services were higher than projected. However, please note that there is only a limited degree of comparability between 2025 and 2024 sales. This is because, in 2024, intra-Group services provided to a partner company were offset against services received from said partner company within Enabling Functions, meaning the respective sales and cost of materials were not reported separately. There was

an operating loss of approximately €1.9 billion, which was €1.3 billion lower than planned, as sales came in above the forecast and the margin also improved.

Sales of Bayer AG declined by about 5% to €14,116 million in 2025 (2024: €14,866 million).

Sales at the Crop Science Division decreased year on year to €4,328 million (2024: €4,903 million) due to lower prices for crop protection products. Intra-Group sales fell to €4,003 million (2024: €4,526 million), while external sales declined to €325 million (2024: €377 million) due to lower sales in all business units. The Herbicides and Insecticides business units saw sales decrease to €1,018 million (2024: €1,162 million) and €719 million (2024: €766 million), respectively, mainly due to lower volumes in North America and Asia/Pacific. Sales at Fungicides fell to €1,895 million in the North America, Asia/Pacific and Latin America regions (2024: €2,192 million). On a regional level, sales in Europe/Middle East/Africa decreased slightly to €2,213 million (2024: €2,225 million). Sales in North America fell significantly, coming in at €721 million (2024: €1,156 million) due to declines in all business units. Sales in the Asia/Pacific region decreased to €919 million (2024: €1,049 million) as a result of declines at Herbicides, Insecticides and Fungicides. Sales in Latin America came in at €475 million, and were therefore in line with the prior-year level (2024: €473 million).

The Pharmaceuticals Division posted a decrease in sales to €8,158 million (2024: €8,750 million). Intra-Group sales declined to €7,289 million (2024: €7,930 million), while external sales rose to €869 million (2024: €820 million). Sales of Xarelto™ declined to €1,712 million (2024: €2,818 million) due to product patents expiring in Europe and Asia/Pacific. Driven mainly by higher demand in the United States, Adempas™ sales increased to €905 million (2024: €597 million) and Mirena™ sales advanced to €550 million (2024: €401 million). Kerendia™ sales rose to €438 million (2024: €271 million) thanks to increased demand in the United States and China. On a regional level, the Pharmaceuticals Division saw sales in Europe/Middle East/Africa fall to €3,262 million (2024: €4,202 million), largely due to lower demand for Xarelto™ in Germany and Italy. Sales in North America increased to €2,592 million (2024: €2,080 million), primarily driven by inventory buildup effects for Adempas™ and price effects for Mirena™. Sales in Asia/Pacific decreased to €1,895 million (2024: €2,102 million), mainly as a result of weaker demand for Xarelto™ in Japan. Sales in Latin America rose to €409 million (2024: €366 million), largely thanks to increased demand for Kerendia™ in Mexico.

Sales at Enabling Functions climbed to €1,630 million (2024: €1,213 million). However, please note that there is only a limited degree of comparability between 2025 and 2024 sales. This is because, in 2024, intra-Group services provided to a partner company were offset against services received from said partner company, meaning the respective sales and cost of materials were not reported separately.

Other operating income increased to €3,589 million (2024: €3,108 million), largely due to exchange gains rising to €3,182 million (2024: €2,557 million). Other operating also income includes prior-period income of €154 million relating to the derecognition of an intra-Group liability in connection with cost reimbursements for restructuring measures. Income from the reversal of provisions decreased to €177 million (2024: €323 million). This decline was primarily attributable to a decrease in income from the reversal of pension provisions (2025: €0; 2024: €82 million) and from the reversal of provisions for variable compensation components (2025: €13 million; 2024: €64 million). In addition, insurance compensation declined to €21 million (2024: €98 million).

The cost of materials decreased by around 4% year on year to €9,945 million (2024: €10,351 million). The ratio of the cost of materials to sales (including changes in inventory) was level year on year at around 71%.

Personnel expenses decreased to €2,420 million (2024: €2,543 million), largely as a result of headcount reductions in connection with the implemented restructuring measures.

Other operating expenses fell to €7,070 million (2024: €8,025 million). The year-on-year change resulted from a decrease in expenses for severance payments in connection with ongoing restructuring programs, to €186 million (2024: €924 million), a decline in rental and leasing expenses to €487 million (2024: €773 million), and a fall in research expenses to €1,131 million (2024: €1,232 million). These effects were partly offset by an increase in expenses from foreign currency translation to €3,008 million (2024: €2,692 million) and a rise in marketing and selling expenses to €391 million (2024: €376 million).

Research and development expenses, consisting of related personnel and nonpersonnel costs within the respective expense item, amounted to €2,104 million (2024: €2,250 million). Of the total expenses, €564 million (2024: €549 million) was attributable to the Crop Science Division and €1,540 million (2024: €1,701 million) to the Pharmaceuticals Division. The increase at Crop Science was due to the Five-Year Framework, while the decrease at Pharmaceuticals was mainly attributable to lower costs for severance payments in connection with ongoing restructuring programs. As of December 31, 2025, there were 3,791 employees (FTEs) working in research and development. The ratio of research and development expenses to sales amounted to 15% (2024: 15%).

The company recorded an operating loss of €1,933 million for 2025 (2024: operating loss of €3,046 million).

The balance of income and expenses from investments in affiliated companies was significantly below the previous year, at €2,233 million (2024: €11,292 million). Income from affiliated companies fell significantly to €240 million (2024: €2,301 million), mainly due to the significant year-on-year decrease in dividend payments received. The highest dividend received in 2025 amounted to €141 million and was paid by Bayer (China) Ltd., China. The balance of income and expenses from profit and loss transfer agreements deteriorated to €2,024 million (2024: €9,000 million). This was attributable to a decline in the profit transferred by Bayer Pharma AG (€1,992 million; 2024: €7,014 million) – due mainly to lower profit and loss transfers as well as less substantial effects from write-ups of the carrying amounts of investments in affiliated companies – and the loss transferred by Bayer CropScience AG (€877 million; 2024: profit of €1,437 million transferred). The balance of other income and expenses from investments in affiliated companies, which solely comprised write-downs of investments in affiliated companies, declined to minus €31 million (2024: minus €9 million).

Net interest expense fell to €260 million in 2025 (2024: €968 million), with the significant decline primarily attributable to a decrease in interest payments to subsidiaries, to €1,040 million (2024: €1,641 million). Additional factors included the unwinding of the discount on pension and noncurrent personnel-related commitments and the development of plan assets. The balance of income and expenses from the unwinding of discount and the development of plan assets improved to €495 million (2024: €267 million). This mainly reflected the balance of income from plan assets of Bayer Pension Trust e. V. (BPT) (€464 million; 2024: €313 million) and interest expense from the unwinding of discount on pension provisions (€31 million, 2024: €46 million). The balance of other financial income and expenses came in at €20 million (2024: €60 million). The year-on-year change was mostly attributable to a €29 million decline in other financial income, and a €14 million increase in expenses for personnel-related provisions.

In 2025, the company generated income of €60 million before income taxes (2024: €7,338 million). After addition of €56 million tax income (2024: tax expense of €10 million), net income amounted to €116 million (2024: €7,328 million). After allocating €8 million of this net income to other retained earnings, the distributable profit amounted to €108 million. The Board of Management will propose to the Annual Stockholders' Meeting on April 24, 2026, that the entire distributable profit of €108,066,649.02 reported in the Bayer AG financial statements for the fiscal year 2025 be used to pay a dividend of €0.11 per share carrying dividend rights.

6.2 Asset and Financial Position of Bayer AG

A 6.2/1

Bayer AG summary statements of financial position according to the German Commercial Code (HGB)

€ million	Dec. 31, 2024	Dec. 31, 2025
ASSETS		
Noncurrent assets		
Intangible assets, property, plant and equipment	441	422
Financial assets	89,619	87,145
	90,060	87,567
Current assets and miscellaneous assets		
Inventories	2,821	2,689
Trade accounts receivable	1,846	1,784
Accounts receivable from subsidiaries	2,425	4,164
Other assets and deferred charges	620	1,033
Cash and cash equivalents, marketable securities	4,250	4,554
	11,962	14,224
Total assets	**102,022**	**101,791**
EQUITY AND LIABILITIES		
Equity	**43,261**	**43,270**
Provisions	**4,846**	**4,550**
Other liabilities and deferrals and accruals		
Bonds and notes, liabilities to banks	16,405	17,098
Trade accounts payable	1,871	1,831
Payables to subsidiaries	34,730	33,922
Remaining liabilities and deferred income	909	1,120
	53,915	53,971
Total equity and liabilities	**102,022**	**101,791**

Development of items in the statement of financial position

As in previous years, Bayer AG's financial position reflected the management function it performs for the Group, particularly with respect to the company's shareholdings and Group financing. The statement of financial position is characterized by these shareholdings and the receivables and payables vis-à-vis Group companies. Total assets decreased to €101,791 million in 2025 (2024: €102,022 million).

Noncurrent assets decreased to €87,567 million (2024: €90,060 million), with intangible assets and property, plant and equipment declining to €422 million of this total (2024: €441 million).

Financial assets decreased to €87,145 million (2024: €89,619 million). Investments in subsidiaries declined to €70,549 million (2024: €71,144 million), primarily due to retirements of €592 million that were attributable to two capital decreases at Bayer Hispania, S.L.U., Spain. Loans to subsidiaries decreased to €15,067 million (2024: €16,926 million), largely due to repayments from Bayer Pharma AG (€1,850 million) and Bayer Gesellschaft für Beteiligungen mbH (€65 million). Investments in other affiliated companies declined to €183 million (2024: €203 million), mainly due to a write-down of €28 million.

Current and miscellaneous assets increased to €14,224 million (2024: €11,962 million). Inventories declined to €2,689 million (2024: €2,821 million). Accounts receivable from subsidiaries, which mainly comprised loan receivables and receivables under profit and loss transfer agreements, increased to €4,164 million (2024: €2,425 million). Other assets increased to €530 million (2024: €315 million), largely due to higher receivables from other taxes, while holdings of marketable securities fell to €714 million (2024: €872 million).

Equity rose by €9 million to €43,270 million (2024: €43,261 million). Apart from the dividend payment, net income and appropriation of profit, there were no notable changes in equity in 2025.

Provisions fell to €4,550 million (2024: €4,846 million). The provisions recognized for the excess of pension liabilities over plan assets declined to €2,044 million (2024: €2,405 million). This change was partly attributable to a €182 million decrease in plan assets due to the development of the fair value of the assets held by BPT, while obligations from pension entitlements also fell by €179 million. Provisions for taxes fell to €371 million (2024: €497 million), mainly due to the change in provisions for income taxes not yet finally assessed. Other provisions increased to €2,135 million (2024: €1,944 million). Personnel-related provisions decreased to €1,004 million (2024: €1,197 million). Other miscellaneous provisions rose to €1,131 million (2024: €747 million), primarily due to an increase in provisions for impending losses to €668 million (2024: €590 million). The increase in provisions for impending losses was attributable to contractual obligations of €105 million in conjunction with a supply agreement, as well as to provisions for other liabilities rising to €361 million (2024: €20 million) due to the recognition of an intra-Group reimbursement obligation in the amount of €277 million.

Liabilities and deferred income – net of deductible receivables – declined to €53,971 million (2024: €53,915 million). Six new bonds were issued in 2025. As of the closing date, the total volume of these bonds amounted to €1,193 million (December 31, 2024: €1,012 million). The bonds comprised three "Panda" bonds denominated in Chinese yuan (CNY 4,000 million), two bonds denominated in Swiss francs (CHF 265 million) and a euro bond with a volume of €400 million. In addition, bonds with a volume of €1,283 million were repurchased (2024: €1,028 million). As such, the total volume of outstanding bonds decreased to €16,286 million (2024: €16,395 million). Liabilities to banks increased to €812 million (2024: €10 million). The decrease in trade accounts payable to €1,831 million (2024: €1,871 million) mainly pertained to trade accounts payable to third parties. Payables to subsidiaries decreased to €33,922 million (2024: €34,730 million). The increase in miscellaneous liabilities to €1,112 million (2024: €892 million) was primarily attributable to a €326 million increase in commercial paper and to lower liabilities to employees relating to restructuring measures, at €399 million (2024: €512 million).

Financial obligations declined to €50,890 million (2024: €58,610 million). Intra-Group financial obligations fell by €8,748 million to €33,427 million, with short-term loans accounting for €8,640 million of this decline and loan liabilities for €157 million. Liabilities to third parties increased by €1,028 million to €17,463 million. Bonds decreased by €109 million to €16,286 million. In addition, there was a €326 million increase in commercial paper. Net debt decreased to €46,336 million (2024: €54,360 million) after deduction of €4,554 million (2024: €4,250 million) in cash and cash equivalents and marketable securities.

6.3 Forecast, Opportunities and Risks for Bayer AG

Bayer AG is largely exposed to the same opportunities and risks as the Bayer Group. In addition to the information provided below, please also refer to the “Report on Future Perspectives and on Opportunities and Risks” chapter on the Bayer Group.

Bayer-wide implementation of the new Dynamic Shared Ownership operating model continues to be a top priority and a central element of our strategy to strengthen our company’s alignment with our “Health for all, Hunger for none” mission and constantly improve our financial performance. Activities are prioritized based on their contribution to the mission, with progress measured in short, 90-day cycles and dynamic resource allocation being employed. We aim to gain greater agility as a result, while also reducing coordination work and removing management layers. Through self-organized, entrepreneurial teams, we focus on the needs of our customers in everything we do, with the goal of being able to bring world-leading innovations to market faster, and providing even better support to farmers, patients and consumers.

Building on the strengths of our business model, our Crop Science Division has put in place its Five-Year Framework, which centers on strengthening our core business. Through a consistent focus on sales growth, margin expansion and sustainable positive cash flow development, we aim to improve profitability and return to mid-20% EBITDA margins before special items. We also aim to increase our resilience and agility to unlock the value of our innovative pipeline and deliver above-market growth.

Bayer AG is expected to generate sales of approximately €13.5 billion and an operating loss of around €2.5 billion in 2026. These figures include Bayer AG’s own operational business and the businesses leased from Bayer CropScience AG and Bayer Pharma AG.

For Bayer AG, we expect the Pharmaceuticals Division to see sales declines for Xarelto™ in particular, which will also be reflected in operating earnings. Within the Enabling Functions, sales from the intra-Group charging-on of services will be at approximately the same level as in 2025. For the Crop Science Division, we expect to see a slight increase in sales that will mainly be driven by the Latin America region. Furthermore, specific intra-Group dividend measures and additional intra-Group restructuring measures ensure the availability of sufficient distributable income. On account of the interdependencies between Bayer AG and its subsidiaries, the outlook for the Bayer Group thus largely also reflects the expectations for Bayer AG.

6.4 Nonfinancial and Other Disclosures by Bayer AG

Due to the importance of Bayer AG within the Bayer Group, further disclosures are required. This pertains especially to the reporting of significant nonfinancial information pursuant to Section 289b through e of the German Commercial Code (HGB), which also became mandatory for the parent company Bayer AG as a result of the CSR Directive Implementation Act (CSR-RUG).

The Bayer Group's nonfinancial statement for 2025 is issued in accordance with the European Sustainability Reporting Standards (ESRS) that entered into effect in the European Union in July 2023 as part of a Delegated Act under the Corporate Sustainability Reporting Directive (CSRD – EU Directive 2022/2464), while the nonfinancial disclosures of Bayer AG are based on the GRI Standards. All disclosures, provisions, described processes and key data contained in the preceding statements in the Group Management Report apply to the Bayer Group including Bayer AG.

The following table contains significant nonfinancial and other key data of Bayer AG.

A 6.4/1

Significant nonfinancial and other key data of Bayer AG

	2024	2025
R&D expenses (€ million)	2,250	2,104
Employees[1]	16,693	14,707
Employees by function[1]		
Production	10,436	8,970
Marketing and distribution	818	711
R&D	4,069	3,791
Administration	1,370	1,235
Employees by gender[1]		
Women	5,834	5,120
Men	10,859	9,587
Personnel expenses (€ million)	2,543	2,394
Pension obligations (€ million)	7,492	7,281
Short-term incentive program (€ million)	312	398
Procurement spend (€ billion)	4.7	4.7
Safety		
Recordable Incident Rate (RIR)	0.36	0.34
Lost Time Recordable Incident Rate (LTRIR)	0.30	0.27
Process Safety Incident Rate (PSI-R)	0.20	0.23
Environmental protection		
Total energy consumption (terajoules)	5,658	5,118
Scope 1 and 2 greenhouse gas emissions (million metric tons of CO_2 equivalents)[2]	0.37	0.31
Water withdrawals (million cubic meters)	6.22	6.04
Total waste generated (thousand metric tons)	208	195

[1] Full-time equivalents (FTEs) as of December 31, 2025
[2] According to the market-based method

B Consolidated Financial Statements

Bayer Group Consolidated Income Statements

B 1

€ million	Note	2024	2025
Net sales	**[6]**	**46,606**	**45,575**
Cost of goods sold		(21,270)	(18,797)
Gross profit		**25,336**	**26,778**
Selling expenses		(13,364)	(12,549)
Research and development expenses		(6,209)	(5,769)
General administration expenses		(2,574)	(2,160)
Other operating income	[7]	1,779	1,802
Other operating expenses	[8]	(5,039)	(9,179)
EBIT[1]		**(71)**	**(1,077)**
Equity-method income (loss)	[10.1]	(132)	(44)
Financial income		545	507
Financial expenses		(2,676)	(2,515)
Financial result	**[10]**	**(2,263)**	**(2,052)**
Income before income taxes		**(2,334)**	**(3,129)**
Income taxes	[11]	(212)	(466)
Income after income taxes		**(2,546)**	**(3,595)**
of which attributable to noncontrolling interest	[12]	6	25
of which attributable to Bayer AG stockholders (net income)		**(2,552)**	**(3,620)**
€			
Earnings per share	**[13]**		
Basic		(2.60)	(3.68)
Diluted		(2.60)	(3.68)

[1] For definition see A 2.3 “Alternative Performance Measures Used by the Bayer Group.”

Bayer Group Consolidated Statements of Comprehensive Income

B 2

€ million	Note	2024	2025
Income after income taxes		**(2,546)**	**(3,595)**
of which attributable to noncontrolling interest	[12]	6	25
of which attributable to Bayer AG stockholders		(2,552)	(3,620)
Remeasurements of the net defined benefit liability for post-employment benefit plans	[22]	453	1,100
Income taxes	[11]	(83)	(505)
Other comprehensive income from remeasurements of the net defined benefit liability for post-employment benefit plans		**370**	**595**
Changes in fair values of equity instruments measured at fair value		(87)	(29)
Income taxes	[11]	12	3
Other comprehensive income from equity instruments measured at fair value		**(75)**	**(26)**
Income taxes	[14]	–	(1)
Other comprehensive income relating to associates accounted for using the equity method		**–**	**(1)**
Other comprehensive income that will not be reclassified subsequently to profit or loss		**295**	**568**
Changes in fair values of derivatives designated as cash flow hedges	[27.3]	(16)	186
Reclassified to profit or loss		(85)	(142)
Income taxes	[11]	14	(24)
Other comprehensive income from cash flow hedges		**(87)**	**20**
Changes in time value of options used as hedging instrument	[17]	1	(1)
Other comprehensive income from time value of options		**1**	**(1)**
Changes in exchange differences recognized on translation of operations outside the eurozone	[21]	1,498	(2,858)
Reclassified to profit or loss	[21]	(102)	(71)
Other comprehensive income from exchange differences	**[21]**	**1,396**	**(2,929)**
Other comprehensive income relating to associates accounted for using the equity method		**(8)**	**23**
Other comprehensive income that may be reclassified subsequently to profit or loss		**1,302**	**(2,887)**
Total other comprehensive income[1]		**1,597**	**(2,319)**
of which attributable to noncontrolling interest		3	(27)
of which attributable to Bayer AG stockholders		1,594	(2,292)
Total comprehensive income		**(949)**	**(5,914)**
of which attributable to noncontrolling interest		9	(2)
of which attributable to Bayer AG stockholders		(958)	(5,912)

[1] Other comprehensive income is recognized outside profit or loss in equity.

Bayer Group Consolidated Statements of Financial Position

B 3

€ million	Note	Dec. 31, 2024	Dec. 31, 2025
Noncurrent assets			
Goodwill	[14]	30,016	28,061
Other intangible assets	[14]	22,112	20,622
Property, plant and equipment	[15]	13,456	12,649
Investments accounted for using the equity method	[16]	820	546
Other financial assets	[17]	2,260	2,265
Other receivables	[20]	1,578	1,742
Deferred taxes	[11]	6,164	5,745
		76,406	**71,630**
Current assets			
Inventories	[18]	13,467	12,378
Trade accounts receivable	[19]	8,966	9,077
Other financial assets	[17]	2,266	1,391
Other receivables	[20]	2,052	1,867
Claims for income tax refunds		1,480	1,504
Cash and cash equivalents		6,191	6,671
Assets held for sale	[5.3]	22	23
		34,444	**32,911**
Total assets		**110,850**	**104,541**
Equity	**[21]**		
Capital stock		2,515	2,515
Capital reserves		18,261	18,261
Other reserves		11,132	5,171
Equity attributable to Bayer AG stockholders		**31,908**	**25,947**
Equity attributable to noncontrolling interest		137	116
		32,045	**26,063**
Noncurrent liabilities			
Provisions for pensions and other post-employment benefits	[22]	3,312	2,090
Other provisions	[23]	7,396	8,976
Refund liabilities	[6]	9	7
Contract liabilities	[6]	303	169
Financial liabilities	[24]	35,498	31,833
Income tax liabilities		1,346	1,054
Other liabilities	[26]	1,124	995
Deferred taxes	[11]	865	769
		49,853	**45,893**
Current liabilities			
Other provisions	[23]	3,808	6,816
Refund liabilities	[6]	5,905	5,641
Contract liabilities	[6]	3,652	3,733
Financial liabilities	[24]	5,313	5,746
Trade accounts payable	[25]	7,518	7,081
Income tax liabilities		547	678
Other liabilities	[26]	2,209	2,890
		28,952	**32,585**
Total equity and liabilities		**110,850**	**104,541**

Bayer Group Consolidated Statements of Changes in Equity

B 4

€ million	Capital stock	Capital reserves	Retained earnings incl. net income	Exchange differences	Fair-value measurement of equity instruments
Jan. 1, 2024	**2,515**	**18,261**	**12,175**	**(128)**	**81**
Total comprehensive income					
Income after income taxes			(2,552)		
Other comprehensive income			370	1,385	(75)
Miscellaneous other changes			(65)		10
Equity transactions with owners					
Dividend payments			(108)		
Other changes			47		
Dec. 31, 2024	**2,515**	**18,261**	**9,867**	**1,257**	**16**
Total comprehensive income					
Income after income taxes			(3,620)		
Other comprehensive income			595	(2,879)	(27)
Miscellaneous other changes			(67)		5
Equity transactions with owners					
Dividend payments			(108)		
Other changes			59		
Dec. 31, 2025	**2,515**	**18,261**	**6,726**	**(1,622)**	**(6)**

B 4 (continued)

€ million	Cash flow hedges	Equity attributable to Bayer AG stockholders	Equity attributable to noncontrolling interest	Equity
Jan. 1, 2024	**23**	**32,927**	**151**	**33,078**
Total comprehensive income				
Income after income taxes		(2,552)	6	(2,546)
Other comprehensive income	(86)	1,594	3	1,597
Miscellaneous other changes	55			
Equity transactions with owners				
Dividend payments		(108)	(23)	(131)
Other changes		47		47
Dec. 31, 2024	**(8)**	**31,908**	**137**	**32,045**
Total comprehensive income				
Income after income taxes		(3,620)	25	(3,595)
Other comprehensive income	19	(2,292)	(27)	(2,319)
Miscellaneous other changes	62			
Equity transactions with owners				
Dividend payments		(108)	(19)	(127)
Other changes		59		59
Dec. 31, 2025	**73**	**25,947**	**116**	**26,063**

Bayer Group Consolidated Statements of Cash Flows

B 5

€ million	Note	2024	2025
Income after income taxes		(2,546)	(3,595)
Income taxes		212	466
Financial result		2,263	2,052
Income taxes paid		(1,222)	(1,243)
Depreciation, amortization and impairment losses (loss reversals)		8,783	2,785
Change in pension provisions		(494)	(217)
(Gains) losses on retirements of noncurrent assets		(207)	(469)
Decrease (increase) in inventories		521	475
Decrease (increase) in trade accounts receivable		197	(852)
(Decrease) increase in trade accounts payable		(120)	(176)
Changes in other working capital, other noncash items		(19)	6,704
Net cash provided by (used in) operating activities		**7,368**	**5,930**
Cash outflows for additions to property, plant, equipment and intangible assets		(2,778)	(2,487)
Cash inflows from sales of property, plant, equipment and other assets		295	415
Cash inflows from (outflows for) divestments less divested cash		17	(2)
Cash inflows from noncurrent financial assets		18	144
Cash outflows for noncurrent financial assets		(251)	(179)
Cash outflows for acquisitions less acquired cash		(184)	(196)
Interest and dividends received		489	339
Cash inflows from (outflows for) current financial assets		2,558	696
Net cash provided by (used in) investing activities		**164**	**(1,270)**
Cash outflows to acquire Bayer AG shares (BayShare)		(16)	(14)
Dividend payments		(131)	(127)
Issuances of debt		5,815	6,282
Retirements of debt		(10,833)	(8,327)
Interest paid including interest-rate swaps		(1,977)	(1,698)
Interest received from interest-rate swaps		5	–
Cash outflows for the purchase of additional interests in subsidiaries		(41)	–
Net cash provided by (used in) financing activities		**(7,178)**	**(3,884)**
Change in cash and cash equivalents due to business activities	**[31]**	**354**	**776**
Cash and cash equivalents at beginning of year		**5,907**	**6,191**
Change in cash and cash equivalents due to changes in scope of consolidation		(2)	–
Change in cash and cash equivalents due to hyperinflation of cash flows		(58)	(5)
Change in cash and cash equivalents due to exchange rate movements		(10)	(291)
Cash and cash equivalents at end of year		**6,191**	**6,671**

Notes to the Consolidated Financial Statements of the Bayer Group

1. General information

Bayer Aktiengesellschaft (Bayer AG), which is entered in the commercial register of the Local Court of Cologne, Germany, HRB 48248, is a global enterprise based in Germany. Its registered office is at Kaiser-Wilhelm-Allee 1, 51368 Leverkusen. The material business activities of the Bayer Group take place in the life science fields of healthcare and nutrition and are reported on via the Crop Science, Pharmaceuticals and Consumer Health segments. The activities of each segment are outlined in Note [4].

The Consolidated Financial Statements as of December 31, 2025, of Bayer AG and its subsidiaries (Bayer Group) were prepared according to the IFRS® Accounting Standards (hereinafter "IFRS accounting standards") issued by the International Accounting Standards Board (IASB®), London, United Kingdom, and the IFRIC® interpretations of the IFRS Interpretations Committee as endorsed and adopted by the European Union as of December 31, 2025. The applicable further requirements of Section 315e of the German Commercial Code (HGB) were also taken into account.

The declarations required under Section 161 of the German Stock Corporation Act (AktG) concerning the German Corporate Governance Code have been issued and made available to stockholders via the Bayer website (https://www.bayer.com/en/investors/corporate-governance).

The Board of Management of Bayer AG prepared the Consolidated Financial Statements of the Bayer Group as of December 31, 2025, at its meeting on February 27, 2026, submitted the prepared statements to the Audit Committee and the Supervisory Board for examination and approval, and released them for publication.

2. Effects of new accounting standards

Accounting standards applied for the first time in 2025

The following amendments to accounting standards were applied for the first time as of January 1, 2025. The amendments had no material impact on the Group's financial position or results of operations.

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Accounting standards amendments with no material impact

Amendments to standards		Mandatory application
IAS 21	Amendments to IAS 21 (The Effects of Changes in Foreign Exchange Rates): Lack of Exchangeability	Jan. 1, 2025

Published accounting standards that have not yet been applied

The IASB has issued the following amendments to standards, and their application was not yet mandatory for the 2025 fiscal year. In some cases, the European Union had not yet completed the endorsement process.

Therefore, the following standards have not yet been applied by Bayer:

B 2/2

Published accounting standards that have not yet been applied

Amendments to standards/new standards		Mandatory application	Anticipated effects
IFRS 9, IFRS 7	Amendments to IFRS 9 (Financial Instruments) and IFRS 7 (Financial Instruments – Disclosures): Amendments to the Classification and Measurement of Financial Instruments	Jan. 1, 2026	No material effects expected
IFRS 9, IFRS 7	Amendments to IFRS 9 (Financial Instruments) and IFRS 7 (Financial Instruments – Disclosures): Contracts Referencing Nature-dependent Electricity	Jan. 1, 2026	No material effects expected
	Annual Improvements of IFRS Accounting Standards – Volume 11	Jan. 1, 2026	No material effects expected
IFRS 18	Presentation and Disclosure in Financial Statements	Jan. 1, 2027	See remarks below
IFRS 19	Subsidiaries without Public Accountability: Disclosures	Jan. 1, 2027[1]	No material effects expected
IAS 21	Amendments to IAS 21 (The Effects of Changes in Foreign Exchange Rates): Translation to a Hyperinflationary Presentation Currency	Jan. 1, 2027[1]	No material effects expected

[1] The endorsement process of the European Union is still pending.

IFRS 18 (Presentation and Disclosure in Financial Statements) will replace IAS 1 (Presentation of Financial Statements) and applies to reporting periods beginning on or after January 1, 2027.

The new IFRS 18 standard introduces the following material new requirements. Entities must classify all income and expenses in the income statement into specific categories and present newly defined subtotals. Management-defined performance measures (MPMs) must be disclosed in the financial statements in a single note. Enhanced guidance is also provided for grouping (aggregation and disaggregation) of information in the financial statements. All entities are additionally required to use the operating profit or loss subtotal as the single starting point for the indirect method of reporting cash flows from operating activities.

The Bayer Group is currently still assessing the effects of the new IFRS 18 standard, particularly as regards the presentation of its income statement, statement of cash flows and additional disclosures required for the MPMs. The Bayer Group does not have a specified main business activity according to IFRS 18. In addition to the mandatory subtotal “operating profit or loss,” which will replace the EBIT subtotal, the mandatory subtotal “profit or loss before financing and income taxes” will also be reported in the income statement. The standard will also involve the introduction of classification rules that will result in income and expenses being presented in new specified categories within the income statement: operating, investing and financing. This pertains to, for example, foreign currency effects and interest-rate and/or interest-rate-fluctuation effects. Since these changes only concern the presentation of the financial statements, there will be no change to the way net income and income after income taxes are calculated. Since it applies the cost-of-sales method for reporting operating expenditures within the income statement, Bayer will face additional disclosure requirements and will therefore need to provide specific quantitative and qualitative information on five predefined types of expenses. With regard to the expanded guidelines on aggregating data in financial statements, no extensive changes are expected with respect to disaggregation since material items are already currently presented in disaggregated form in the Notes. The company expects to add an additional line item for impairment losses on goodwill in the income statement. In addition, the company will use the operating profit or loss subtotal as the single starting point for reporting cash flows due to it applying the indirect method for reporting operating cash flow within the statement of cash flows. At the present point in time, it is not possible to quantify the impacts that the new standard will have.

3. Reporting policies, methods and critical accounting estimates

The Consolidated Financial Statements were drawn up in euros. Except where otherwise indicated, amounts are stated in millions of euros (€ million) and rounded to the nearest million. Adding the individual figures may therefore not always result in the exact total given.

In the income statement and statement of comprehensive income, statement of financial position, statement of cash flows and statement of changes in equity, certain items are combined for the sake of clarity. These are explained in the Notes. The income statement was prepared using the cost-of-sales method. Assets and liabilities are classified by maturity. They are regarded as current if they mature within one year or within the normal business cycle, which usually does not exceed one year, or are held for sale. The normal business cycle is defined for this purpose as beginning with the procurement of the resources necessary for the production process and ending with the receipt of cash or cash equivalents as consideration for the sale of the goods or services produced in that process. Inventories and trade accounts receivable and payable are always presented as current items. Deferred tax assets and liabilities, and pension provisions are always presented as noncurrent items.

The financial statements of the individual companies consolidated are prepared according to uniform recognition and measurement methods. The Consolidated Financial Statements are based on the principle of the historical cost of acquisition, construction or production, with the exception of the items reflected at fair value, such as equity instruments held, debt instruments held that do not solely comprise principal and interest payments, and derivatives and liabilities that must be recognized or were designated at fair value through profit or loss.

In preparing the Consolidated Financial Statements, management must make certain assumptions and estimates that may substantially impact the presentation of the Group's financial position and/or results of operations. Such estimates, assumptions or the exercise of discretion mainly relate to the useful life of noncurrent assets, the discounted cash flows used for impairment testing, purchase price allocations and the measurement of embedded derivatives, recognition of provisions, including those for litigation-related expenses, pensions and other benefits, taxes, environmental compliance and remediation costs, product liability and guarantees, as well as the recognition of refund liabilities.

Essential estimates and assumptions that may affect reporting in the various item categories of the financial statements are described in the following sections of this Note. Estimates are based on historical experience and other assumptions that are considered reasonable under given circumstances. They are continually reviewed but may vary from the actual values.

New or revised accounting standards often contain options regarding the first-time application of new recognition and measurement methods. The income statement for the previous year and the opening statement of financial position for that year may be adjusted depending on the option Bayer exercises. For further information on the standards applied for the first time as of January 1, 2025, see Note [2].

Consolidation

The Consolidated Financial Statements include subsidiaries, joint operations, joint ventures and associates. The financial statements of the individual companies consolidated are prepared as of the closing date of the Group financial statements. If financial statements of joint ventures and associates have a different closing date, adjustments are made for material transactions or events between that date and the closing date of the Consolidated Financial Statements of the Bayer Group.

Subsidiaries are companies over which Bayer AG is currently able to exercise power by virtue of existing rights. Power means the ability to direct the relevant activities that significantly affect a company's profitability. Control is therefore only deemed to exist if Bayer AG is exposed, or has rights, to variable returns from its involvement with a company and has the ability to use its power over that company to affect the amount of that company's returns. The ability to control another company generally derives from Bayer AG's direct or indirect ownership of a majority of the voting rights. In the case of structured entities, however, control is based on contractual agreements. Inclusion of an entity's accounts in the Consolidated Financial Statements begins when the Bayer Group is able to exercise control over the entity and ceases when it is no longer able to do so.

A joint operation or a joint venture exists where the Bayer Group controls an entity's activities jointly with a third party on the basis of a contractual agreement and decisions about the relevant activities require the unanimous consent of the parties sharing control. The parties to a joint operation have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Bayer Group recognizes its share of the assets, liabilities, revenues and expenses in the Consolidated Financial Statements in accordance with its rights and obligations. The parties jointly controlling a joint venture have rights to the net assets of the arrangement. Joint ventures are accounted for using the equity method. Associates are companies in which Bayer Group companies hold a voting interest of between 20% and 50% or for which there are relevant indicators of significant influence, such as representation on the board of directors or equivalent governing body of the associated company. They also are accounted for using the equity method. Companies in which Bayer Group companies hold more than 50% of the voting rights and, despite not exercising control, can exert significant influence on the relevant activities due to contractual agreements are also accounted for as associates. The carrying amount of a company accounted for using the equity method is adjusted monthly by the change in its equity corresponding to Bayer's percentage interest in the company. Upon first-time inclusion of associates using the equity method, differences between the acquisition costs of the shares and the share of the net fair value of the associate's identifiable assets and liabilities are accounted for according to full-consolidation principles. Bayer's share of changes – recognized in profit or loss – in these companies' equity, including impairment losses recognized on goodwill, are reflected in equity-method income/loss. Gains and losses arising from the remeasurement of investments accounted for using the equity method due to Bayer obtaining control or losing significant influence are also reflected in equity-method income/loss, as are gains and losses from the sale of investments accounted for using the equity method.

Interests in subsidiaries, joint ventures and associates that do not have a material impact on the Group's financial position or results of operations, either individually or in aggregate, are recognized as financial investments in equity instruments.

Foreign currency translation

The assets and liabilities of the subsidiaries that do not use the euro as their functional currency are translated into euros at closing rates. All changes occurring during the year and all income and expense items and cash flows are translated into euros at average monthly rates. For subsidiaries with a hyperinflationary functional currency, currencies are always translated at the respective closing rates. Equity components are translated at the historical exchange rates prevailing at the respective dates of their first-time recognition in Group equity. The exchange differences arising between the resulting amounts and those obtained by translating at closing rates are recognized outside profit or loss as "Exchange differences on translation of operations outside the eurozone" (in other comprehensive income) or presented as "Exchange differences" in the tables in the Notes. When a company is deconsolidated, such exchange differences are reclassified from equity to profit or loss and recognized in other operating income/expenses. When capital repayments of a net investment in a foreign operation are effected but the percentage of shares owned remains unchanged, exchange differences are reclassified from other comprehensive income to profit or loss and recognized on a prorated basis under exchange gains or losses in other financial income and expenses within the financial result.

The exchange rates for major currencies against the euro varied as follows:

B 3/1

Exchange rates for major currencies

		Average rate				Closing rate	
€1/		**2024**	**2025**	€1/		**Dec. 31, 2024**	**Dec. 31, 2025**
BRL	Brazil	5.80	6.31	BRL	Brazil	6.42	6.44
CAD	Canada	1.48	1.58	CAD	Canada	1.50	1.61
CNY	China	7.80	8.11	CNY	China	7.63	8.20
GBP	United Kingdom	0.85	0.86	GBP	United Kingdom	0.83	0.87
INR	India	90.53	98.19	INR	India	88.98	105.67
JPY	Japan	163.69	168.63	JPY	Japan	163.05	184.11
MXN	Mexico	19.70	21.67	MXN	Mexico	21.55	21.12
USD	United States	1.08	1.13	USD	United States	1.04	1.18

The following companies have a hyperinflationary functional currency:

B 3/2

Application of IAS 29 (Financial Reporting in Hyperinflationary Economies)

Company name	Place of business	Applied since
Bayer S. A.	Buenos Aires, Argentina	July 1, 2018
Bayer Türk Kimya Sanayii Limited Sirketi	Istanbul, Turkey	April 1, 2022
Monsanto Gida Ve Tarim Ticaret Ltd Sirketi	Istanbul, Turkey	April 1, 2022
Bayer Tohumculuk ve Tarim Limited Sirketi	Istanbul, Turkey	March 7, 2023

Hyperinflationary accounting is applied for these companies pursuant to IAS 29. On the date of first-time application, the adjustment of the carrying amounts of nonmonetary assets and liabilities was recognized in equity based on the general price index. Gains and losses incurred from the current hyperinflation of nonmonetary assets and liabilities and of equity are recognized as other operating income and expenses in the income statement and under “Enabling Functions and Consolidation” within the segment reporting.

In Argentina, hyperinflation is based on the index “IPC Nacional Empalme IPIM” (2017=100) with an index value of 10,121 as of December 31, 2025 (December 31, 2024: 7,694), and an annual inflation rate of 32% (2024: 118%). In Turkey, hyperinflation is based on the “Consumer Price Index” (2003=100) with an index value of 3,514 as of December 31, 2025 (December 31, 2024: 2,685), and an annual inflation rate of 31% (2024: 44%).

Foreign currency measurement

Monetary items, such as receivables and liabilities, that are denominated in currencies other than a Group company’s functional currency are measured at closing rates. Related exchange differences are recognized as exchange gains or losses under other financial income or expenses.

Sales, refund liabilities, right-of-return assets and contract liabilities

All revenues derived from the selling of products, rendering of services or from licensing agreements are recognized as sales. Revenues are based on customer contracts and the performance obligations contained therein, which are individually identified and may be presented separately for the purpose of revenue recognition. Revenues are recognized in profit or loss when or as soon as the entity transfers control of goods or services to a customer either over time or at a point in time. Control lies with the customer if the customer can independently determine the use of, and consume the benefit derived from, a product or service. Revenues from product deliveries are recognized at a point in time based on an overall assessment of the existence of a right to payment, the allocation of ownership rights, the transfer of physical possession, the transfer of risks and rewards, and acceptance by the customer. In the case of product deliveries undertaken by the Bayer Group, the transfer of risks and rewards and the right to determine the product shipment destination are particularly important. Depending on the transfer of control, revenues from services are recognized either at a point in time or over the period of time when services are rendered, and in accordance with a reasonable measure of progress.

Net sales are limited to the amount the Bayer Group expects to receive for the fulfillment of performance obligations. Payment components to be withheld for third parties are deducted. Sales are therefore reduced by sales taxes and by actual and expected sales deductions resulting from rebates, discounts and bonuses. Furthermore, sales are reduced by the amount of the refund liability for expected returns of defective goods or of saleable products that may be returned under contractual arrangements, with this reduction taking place at the date of revenue recognition or when a reliable estimate can be made. Refund liabilities are recognized for expected sales deductions and product returns. Sales deductions and refund liabilities are estimated primarily on the basis of historical experience, specific contractual terms, price information and thus future expectations of sales development. The underlying assumptions applied for refund liabilities are reviewed at each closing date and revised where necessary.

Assets from expected product returns are recognized in inventories as right-of-return assets at the previous carrying amounts less any recovery and processing costs and potential impairments. For unilaterally fulfilled customer contracts where more than one year passes between performance and payment, significant financing components are accounted for separately based on their present values and the subsequent unwinding of the discount. The underlying discount rate takes into account the individual credit risk of the contracting party that receives the financing. Revenues from contracts involving noncash consideration, such as exchange transactions, are measured at the fair value of the assets received or the right to receive them.

Some of the Bayer Group's revenues are generated on the basis of licensing agreements under which third parties have been granted the right to use or access products and technologies. A right-to-use license is characterized by the underlying technology remaining essentially unchanged over the period for which the rights are granted. With a right-to-access license, by contrast, the customer's interest is directed toward the consistent further development of that intellectual property. Revenues from right-to-use licenses are recognized at a specific point in time, while those from right-to-access licenses are recognized over time according to the underlying measure of progress. Milestone payments related to right-to-access licenses are allocated to satisfied and unsatisfied portions of the underlying performance obligation, as applicable. Consideration relating to already satisfied obligations is recognized as catch-up adjustments to revenue. Payment elements still to be earned are deferred as contract liabilities. Sales- or usage-based royalties agreed in connection with outlicensing arrangements are only recognized if the sale or the usage is sufficiently verified and the underlying performance obligation has been fulfilled.

In the Crop Science segment, Bayer conducts barter transactions in certain geographies to grant its customers longer payment terms while at the same time reducing credit risk. For example, payment may be made in the form of a subsequent delivery of soybeans or corn, or crops may be pledged as collateral. Any commodity-price risk that Bayer is exposed to as a result is hedged using derivatives. Changes in the fair value of these derivatives are recognized in other operating income and expenses. If Bayer assumes control of goods (such as soybeans) instead of receiving a cash payment, their resale is accounted for in other operating income, and their derecognition in other operating expenses, since transactions of this nature do not form part of normal business operations.

Research and development expenses

Research expenses are recognized through profit or loss. Development expenses are only capitalized as internally generated intangible assets if the recognition criteria of IAS 38 (Intangible Assets) are met. These include sufficient certainty that the development activity will give rise to future financial cash flows that also cover the respective development expenses. Since our own development projects are often subject to regulatory approval procedures and other uncertainties, the conditions for the capitalization of costs incurred before receipt of approvals generally are not satisfied.

Development costs of software projects can be capitalized if the definitions and recognition criteria of IAS 38 are met, such as for interfaces or customer-specific codes in the context of software-as-a-service agreements for cloud applications. Capitalized development expenses are recognized at the cost of generation and amortized over their expected useful lives from the date of completion. Impairment testing is also performed on an annual or event-driven basis.

Income taxes

Income taxes comprise the taxes levied on taxable income in the individual countries along with changes in deferred tax assets and liabilities that are recognized in profit or loss. This also includes current income taxes resulting from tax laws that have come into force or been adopted to implement the Pillar Two Model Rules published by the Organisation for Economic Co-operation and Development (OECD). The income taxes recognized are reflected at the amounts likely to be payable under the statutory regulations in force, or already enacted in relation to future periods, at the end of the reporting period. Complex tax regulations may give rise to uncertainties with respect to their interpretation and the amounts and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate adjustments to tax income and expense in future periods. Liabilities to tax authorities that are uncertain as to their amount and the probability of their occurrence are recognized as tax liabilities based on reasonable estimates. The amounts recognized are based on various factors, such as experience with previous tax audits and differing legal interpretations by the taxable entity and the responsible tax authority.

In compliance with IAS 12 (Income Taxes), deferred taxes are recognized for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position prepared according to the IFRS accounting standards and their tax bases. Deferred taxes are also recognized for loss carryforwards, interest carryforwards and tax credits that are likely to be usable. Based on the exception stated in IAS 12.4A, deferred taxes related to Pillar Two are not recognized nor is information thereon disclosed. Deferred tax assets relating to deductible temporary differences, tax credits, loss carryforwards and interest carryforwards are recognized where it is probable that taxable income or sufficiently taxable temporary differences will be available in the future to enable them to be used. Deferred tax liabilities are recognized on temporary differences taxable in the future. Deferred taxes are calculated at the rates which – on the basis of the statutory regulations in force, or already enacted in relation to future periods, as of the closing date – are expected to apply in the individual countries at the time of realization. Deferred tax assets and deferred tax liabilities are offset if Bayer has a legally enforceable right to set off current tax assets against current tax liabilities and these are levied by the same taxation authority. Material effects of changes in tax rates or tax law on deferred tax assets and liabilities are generally accounted for in the period in which the changes are enacted. Such effects are

recognized in profit or loss except where they relate to deferred taxes that were recognized outside profit or loss, in which case they are recognized in other comprehensive income or directly in equity.

Deferred and current taxes are recognized in profit or loss unless they relate to items recognized outside profit or loss in other comprehensive income, in which case they, too, are recognized in other comprehensive income or directly in equity. The probability that deferred tax assets resulting from temporary differences, loss carryforwards or interest carryforwards can be used in the future is the subject of forecasts by the individual consolidated companies regarding their future earnings situation and other parameters. Deferred tax liabilities are recognized on planned dividend payments by subsidiaries. Where no dividend payment is planned for the foreseeable future, no deferred tax liability is recognized on the difference between the proportionate net assets according to the IFRS accounting standards and the tax base of the investment in the subsidiary.

Goodwill

In a business combination, goodwill is capitalized at the acquisition date (see “Acquisition accounting”). Goodwill is not amortized but is tested for impairment at least annually or when there is an indication of possible impairment.

Other intangible assets

Other intangible assets are capitalized at the acquisition date at their cost of acquisition or generation. Those with a definite useful life are amortized on a straight-line basis over the following periods, except where their actual depletion demands a different amortization pattern.

B 3/3

Useful lives of other intangible assets	
Patents and technologies	8 to 30 years
Trademarks	10 to 35 years
Marketing and distribution rights, customer relationships	5 to 30 years
Production rights	14 to 19 years
Other rights	2 to 12 years

The expected useful lives of such assets and the amortization patterns are determined based on estimates of the period for which they will generate cash flows. In addition, a review is conducted as of each closing date to ascertain whether there are any indications of impairment, and impairment testing may then potentially be performed.

Should in-licensing result in payment obligations for the acquisition of intellectual property, this is capitalized as an intangible asset. If the transaction also includes research and development activities, the related share of consideration is deferred and recognized through profit and loss in accordance with the activities performed.

If separately capitalizable intangible assets are acquired within the scope of software projects (such as S/4HANA implementation), the related costs are capitalized accordingly.

Emission allowances and CO_2 certificates

Emission allowances meet the criteria of intangible assets and are not subject to amortization due to their indefinite useful life. If emission allowances are granted to the company free of charge by a statutory authority in connection with regulatory requirements, like the EU Emissions Trading System (EU ETS), no amount is recognized for emission allowances. If more emissions are emitted than the allocated emission allowances permit, additional allowances are purchased and recognized as intangible assets at cost. Corresponding provisions are recognized in the period in which the emissions are emitted and usually reflect the cost of acquisition of the emission certificates. If the emissions in a specific period exceed the corresponding emission allowances, this portion of the provision is measured at the current market value of the allowances. When the allowances are retired, the corresponding provisions are considered to have been utilized and the intangible assets are derecognized.

CO_2 certificates, including renewable energy credits, that are purchased or produced to meet our voluntary climate targets in connection with our greenhouse gas reduction program are recognized as intangible assets at their cost of acquisition or production and derecognized against the relevant functional costs when they are retired. If they are used in the production process or are intended for sale within the normal course of business, they are recognized in inventories. The certificates are usually immediately retired upon acquisition for offsetting purposes and recognized directly in functional costs.

Property, plant and equipment

Property, plant and equipment is initially recognized at the cost of acquisition or construction plus the estimated amounts of any redevelopment or decommissioning costs. Thereafter it is depreciated by the straight-line method over its expected useful life, except where use-related depreciation is more appropriate.

B 3/4

Useful life of property, plant and equipment	
Buildings	5 to 50 years
Plant installations and machinery	4 to 40 years
Furniture, fixtures and other equipment	2 to 15 years

A review is conducted as of each closing date to ascertain whether there are any indications of impairment. When assets are sold, closed down or scrapped, the difference between the net proceeds and the net carrying amount of the assets is recognized as a gain or loss in other operating income or expenses, respectively.

Grants and subsidies from third parties that serve to promote investment are reflected in the statement of financial position under other liabilities and amortized to income over the useful lives of the respective investments in property, plant or equipment, or in line with the terms of the grant or subsidy.

Investment property comprises land and buildings not being used for operational or administrative purposes. It is measured using the cost model. The fair value of this property reported in the Notes is primarily determined on the basis of internal valuations using the income approach, while that of undeveloped sites is mainly calculated using the market comparison approach.

Impairment testing

An impairment test is performed if there is an indication of possible impairment for an intangible asset, an item of property, plant and equipment, or a cash-generating unit or unit group to which goodwill has been allocated. Other intangible assets with an indefinite useful life (such as the Bayer Cross trademark), intangible assets that are not yet available for use (such as R&D projects) and cash-generating units or unit groups to which goodwill has been allocated are additionally tested annually for impairment.

A cash-generating unit is the smallest identifiable group of assets generating cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The Bayer Group primarily regards product families as well as seeds and the corresponding traits as cash-generating units and subjects them to impairment testing. Goodwill is tested for impairment at the reporting segment level.

Impairment testing involves comparing the carrying amount of each cash-generating unit or unit group, intangible asset or item of property, plant and equipment to the recoverable amount, which is the higher of its fair value less costs of disposal or value in use. If the carrying amount exceeds the recoverable amount, an impairment loss must be recognized for the difference. In this case, an impairment loss is first recognized on any goodwill allocated to the cash-generating unit or unit group. Any remaining impairment loss is allocated among the other noncurrent nonfinancial assets in proportion to their carrying amounts, unless this is prohibited under any other rule. The resulting expense is reflected in the operating expense item in which the depreciation or amortization of the respective asset is recognized. The same applies to income from impairment loss reversals. Impairment losses recognized on goodwill are included in other operating expenses.

The recoverable amount is generally determined on the basis of the fair value less costs of disposal, taking into account the present value of the future net cash flows as market prices for the individual units are not normally available. These are forecasted on the basis of the Bayer Group's planning process, which has a planning horizon of five years and includes exchange rate assumptions at the time of planning. Forecasting involves making assumptions, especially regarding future selling prices, sales volumes, costs, market growth rates and economic cycles. These assumptions are based on internal estimates along with external market studies. The principal assumptions upon which management bases its cash flow forecasts for the detailed forecast period include sales growth, the development of costs, the level of investments and the development of working capital. Expected sales growth is fundamentally derived on the basis of past experience. Price and volume adjustments are used to account for expected developments in terms of market dynamics, regulatory changes, the competitive environment and changes in the product portfolio. The expected development of costs is based on the existing cost structure but is, however, adjusted to account for expected developments relating to inflation, personnel costs and cost savings from efficiency programs. The level of investments is based on a strategic analysis of the company's long-term goals, combined with a detailed evaluation of the necessary investments. Here, both historical data and future market trends are taken into account. The development of working capital is fundamentally based on past experience. However, adjustments are made to take into account expected business dynamics and the effects of working capital initiatives. Where the recoverable amount is the fair value less costs of disposal, measurement is undertaken from the viewpoint of an independent market participant. Where the recoverable amount is the value in use, the object of valuation is measured as currently used. In either case, net cash flows beyond the planning period are determined on the basis of long-term business expectations using individually calculated growth rates. The fair value less costs of disposal is determined on the basis of unobservable inputs (Level 3).

The net cash inflows are discounted at a rate equivalent to the weighted average cost of equity and debt capital. To allow for the different risk and return profiles of the Bayer Group's principal businesses, the after-tax cost of capital is calculated separately for each reporting segment and certain cash-generating units and unit groups while taking into account regional focus areas, and a segment-specific capital structure is defined by benchmarking against comparable companies in the same industry sector. The cost of equity corresponds to the return expected by stockholders, while the cost of debt is based on the conditions on which comparable companies can obtain long-term financing. Both components are derived from capital market information.

Although the estimates of the useful lives of certain assets, assumptions concerning the macroeconomic environment and industry developments, and estimates of the discounted future cash flows are believed to be appropriate, changes in assumptions or circumstances could require changes in the carrying amounts. This could lead to the recognition of additional impairment losses in the future or – except in the case of goodwill – to reversals of previously recognized impairment losses.

Leases

A lease is established by a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessee, Bayer generally recognizes the present value of the future lease payments as a financial liability. The lease payments are split into principal and interest portions according to the effective-interest method. In line with this and taking into account any further cost components, the right-of-use asset (the asset that reflects the right to use the underlying asset) is capitalized under property, plant and equipment at the inception of the lease. The right-of-use asset is recognized at amortized cost and depreciated by the straight-line method.

Use is made of the recognition exemptions for certain leases in which the underlying assets are of low value, as well as for short-term leases. The lease payments under these contracts are recognized as other operating expenses on a straight-line basis over the lease term or – if relevant – in the production costs of inventories.

Bayer exercises the accounting policy option under IFRS 16 (Leases) available for lessees not to apply this standard to leases of intangible assets.

For certain contracts with both lease and nonlease components, Bayer as lessee applies the practical expedient not to separate these components but to recognize them collectively as a single lease component.

Payments under intra-Group leases are generally presented as expenses or income in segment reporting in line with the internal reporting system.

Lease contracts in which Bayer acts as the lessor and substantially all the risks and rewards of utilizing the underlying asset are transferred to the lessee are classified as finance leases. The net investment in the lease is recognized as a receivable. In the case of operating leases where Bayer is the lessor, the leased assets continue to be capitalized, and the lease payments are recognized in income on a straight-line basis over the lease term.

Financial assets

Financial assets comprise receivables, acquired equity and debt instruments, cash and cash equivalents, and derivatives with positive fair values. A financial asset is initially recognized on the settlement date at fair value, plus transaction costs in most cases.

The classification and measurement of financial assets is based in each case on the business model and the characteristics of the cash flows. Trade accounts receivable and other debt instruments are measured at amortized cost using the effective-interest method, at fair value through profit or loss (such as money market funds and effective initial funds) or at fair value through other comprehensive income (such as trade accounts receivable that can potentially be transferred as part of factoring agreements). Equity instruments are generally held for medium- to long-term strategic purposes and are therefore measured at fair value through other comprehensive income. Otherwise, they are measured at fair value through profit or loss, as is the case for the shares in Century Therapeutics, Inc., United States, and Pyxis Oncology, Inc., United States, for example.

Under the simplified impairment model, a default on receivables measured at amortized cost using the effective-interest method that is expected over the respective term (stage 2 of the impairment model) is determined for trade accounts receivable based on portfolio-specific default rates. These expected default rates are mainly based on the average defaults on receivables in recent years. These default rates are adjusted during the year for the respective customer portfolio if a significant change in the default rate is expected in the future. In determining the expected default rates, we take into account the business model, the respective customer and the economic environment of the geographic region. This is achieved by applying specific default rates for the individual Group companies and, in the case of smaller companies, making a standard calculation in countries with a comparable credit risk. Further differentiation is achieved by taking into account the segments' various customer groups. Throughout the Bayer Group, customers are also assigned to risk classes with different expected default rates depending on their individual credit risk assessments.

Where action such as insolvency or comparable proceedings has been initiated against a defaulter or there are other objective indications that receivables are impaired (such as a considerable worsening of creditworthiness or a financial restructuring), the receivables are individually tested for impairment (stage 3 of the impairment model). In addition, all receivables more than 90 days past due are individually tested for impairment during the year.

For other financial assets measured at amortized cost, the expected credit losses that would result from potential default events within the next 12 months – as determined using the Monte Carlo simulation method – are recognized through profit or loss on first-time recognition and on subsequent measurement (stage 1 of the impairment model). In the event of a significant increase in the default risk, which is defined as a more than 0.25-percentage-point increase in the probability of default with respect to the default risk on first-time recognition, assets are reclassified to stage 2 of the impairment model, taking into account the expected credit losses over the respective asset maturities. An impairment loss is recognized if there are objective indications of an impairment.

Financial assets are derecognized when contractual rights to receive cash flows from the financial assets expire or the financial assets were transferred together with all material risks and benefits. Receivables are also derecognized if they have been finally assessed as irrecoverable and we have ceased efforts to collect them following the completion of insolvency proceedings, for example. Receivables are not derecognized while they remain subject to enforcement.

Inventories

Inventories are recognized at their cost of acquisition or production (production-related full costs) – calculated by the weighted-average method – or at their net realizable value, whichever is lower.

Cash and cash equivalents

Cash includes cash in hand and demand deposits. Cash equivalents are financial investments with maximum maturities of three months from the acquisition date that are subject to no more than insignificant fluctuations in value and will give rise to predefined cash inflows. Cash and cash equivalents are measured at amortized cost.

Provisions for pensions and other post-employment benefits

Within the Bayer Group, post-employment benefits are provided under defined contribution and/or defined benefit plans. In the case of defined contribution plans, the company pays contributions to publicly or privately administered pension plans on a mandatory, contractual or voluntary basis. Once the contributions have been paid, the company has no further payment obligations. The regular contributions constitute operating expenses and as such are included in the respective income statement items.

All remaining commitments under pension and other post-employment benefit plans are measured in terms of the defined benefit obligation (DBO) using the projected unit credit method, with entitlements already earned being measured at the present value of the DBO. This is based on factors such as expected future salary and pension increases, changes in healthcare costs, mortality rates and beneficiary structure. The uniform discount rates are based on the yields of high-quality bond portfolios (AA-rated corporate bonds) in specific currencies, extrapolated where necessary to cover the future period for which sufficiently accurate bond yields are not available. Where there is insufficient empirical data on corporate bond yields with longer-term residual maturities, the yield structure is derived from government bond yields plus spread to reflect the higher risk of default. The bond portfolios consist of bonds with weighted residual maturities approximately equal to the duration of the expected disbursements from the pension plans. The pension service cost and the net interest on the net liability are determined on the basis of the assumptions as of the previous closing date.

For funded obligations, the net liability is determined by deducting the fair value of plan assets. The obligations and plan assets are measured at regular intervals. Where no quoted prices for plan assets exist in active markets, their fair values are determined by applying the usual measurement methods and on the basis of freely accessible data such as interest rate curves and credit spreads. The net defined benefit asset is recognized in other receivables.

Current and past service cost and effects of plan settlements are recognized in operating income. The net interest on the net liability is reflected in the financial result under other financial income and expenses. The effects of remeasurements of the net defined benefit liability are reflected in the statement of comprehensive income as other comprehensive income. They consist of actuarial gains and losses, the return on plan assets and changes in the effects of the asset ceiling, less the amounts included in net interest and related deferred taxes.

Other provisions

Other provisions are recognized for present legal and constructive obligations arising from past events that will probably give rise to a future outflow of resources, provided that a reliable estimate can be made of the amount of the obligations. They are established at the present value of the expected future cash outflows and recognized in the respective operating expense items. The interest cost is reflected in the financial result under other financial income and expenses. If the projected obligation declines as a result of a change in the estimate, the provision is reversed by the corresponding amount and the resulting income recognized in the operating expense item(s) in which the original charge was recognized.

Costs arising from obligations to decommission or dismantle property, plant and equipment are included as a component of the acquisition or construction costs for property, plant or equipment if they can be reliably estimated, and are covered by provisions. If changes in the estimates require the provisions to be adjusted, the carrying amounts of the respective assets are reduced or increased accordingly.

Estimating future costs for environmental protection and similar measures involves, in particular, uncertainties with regard to the applicable laws and regulations and the actual local conditions. Significant factors in estimating the costs include previous experiences in similar cases, expert opinions, current costs and new developments affecting costs, management's interpretation of current environmental regulations, the financial position of third parties that may become obligated to participate in any remediation costs on the basis of joint liability, and the remediation methods likely to be deployed. Changes in these assumptions could impact future reported results of the Group. Taking into consideration the experience gained to date and the knowledge and circumstances as of the closing date, provisions are believed to be adequate. However, material additional costs could be incurred beyond the amounts accrued that result in additional expenses in subsequent periods.

Provisions for employee termination benefits are established where the amounts of severance payments, additional pension plan components to be granted or other benefits can be reliably estimated. However, material additional costs could be incurred beyond the amounts accrued that result in additional expenses in subsequent periods.

Obligations arising from stock-based programs that involve cash settlement pursuant to IFRS 2 (Share-based Payment) are covered by provisions in the amount of the fair value of the obligations existing as of the closing date. All resulting changes in value are recognized in profit or loss.

Provisions for litigations are established under certain conditions in the case of legal risks. Litigations and other judicial proceedings often raise complex issues and are subject to many uncertainties and complexities including, but not limited to, the facts and circumstances of each particular case, the jurisdiction in which each suit is brought and differences in applicable law. The outcome of any current or future proceedings cannot normally be predicted. It is particularly difficult to assess the likely outcomes of class actions for damages or mass compensation claims in the United States, which may give rise to significant financial risks for the Bayer Group. As a result of a final judgment in court proceedings, regulatory decisions or the conclusion of a settlement, the Bayer Group may incur charges for which no accounting measures have yet been taken for lack of reasonable estimability, or which exceed presently established provisions and the insurance coverage.

The Bayer Group considers the need for accounting measures in respect of pending or future litigations, and the extent of any such measures, on the basis of the information available to its legal department and in close consultation with legal counsel acting for the Bayer Group. Where it is more likely than not that such a litigation will result in an outflow of resources that is already reasonably estimable, a provision for litigation is recorded in the amount of the present value of the expected cash outflows. Such provisions cover the estimated payments to the plaintiffs, court and procedural costs, attorney costs and the cost of potential settlements.

It is sometimes impossible to reliably determine the existence of a present obligation or reasonably estimate the probability that a potential outflow of resources will result from a pending or future litigation. The status of the material "legal risks" is described in Note [30]. Due to the special nature of these litigations, provisions generally are not established until initial settlements allow an estimate of potential amounts or judgments have been issued. Provisions for legal defense costs are established if it is probable that material costs will have to be incurred for external legal counsel to defend the company's legal position.

Internal and external legal counsel evaluate the current status of the Bayer Group's material legal risks at the end of each reporting period. The need to establish or adjust a provision and the amount of the provision or adjustment are determined on this basis. Adjusting events are reflected up to the date the Consolidated Financial Statements are prepared. The measurement of provisions in the case of class actions or mass compensation claims is mainly based on any settlements reached during the past year and on pending or anticipated future claims. With respect to the proceedings outlined in Note [30] "Legal risks", further information on litigations, estimated financial effects, uncertainties and contingent liabilities, as well as the recognition and amounts of individual provisions, can be withheld under IAS 37.92 if disclosing it could significantly prejudice the company's position.

Financial liabilities

Financial liabilities are generally measured at amortized cost using the effective-interest method. Derivatives with negative fair values, liabilities for contingent consideration in business combinations and liabilities designated at fair value through profit or loss are measured at fair value.

Financial liabilities are derecognized when the contractual obligation is discharged or canceled, or has expired.

A supply chain financing program (also known as reverse factoring) is used in the Bayer Group that enables suppliers to choose to have individual invoices paid prior to their due date. As part of this program, the supplier concludes a financing agreement with a bank or platform operator without Bayer's involvement and, upon request, is paid the invoice amount by the bank in advance less an interest component. Bayer generally pays the invoice amount to the bank when due; the payment deadlines lie within the usual scope for the industry. Bayer has assessed this program based on various criteria and concluded that the associated liabilities retain the character of trade accounts payable. The related payments to the bank are therefore classified as a cash outflow from operating activities.

Derivatives

The Bayer Group uses derivatives to mitigate the risk of changes in exchange rates, interest rates or commodity prices (such as for soybeans and corn) and to hedge the stock-based compensation program issued as of 2024. The instruments used include forward exchange contracts, interest-rate swaps, forward commodity contracts and forward stock transactions. Derivatives are recognized at the trade date and are remeasured to fair value on each closing date. Positive fair values are reflected in financial assets, negative fair values in financial liabilities.

Contracts for the purchase and sale of nonfinancial items (such as raw material supply contracts) that are concluded for the company's own purposes are treated as pending transactions under the own-use exemption and not accounted for as derivatives. Other contracts for the purchase and sale of nonfinancial items are accounted for as derivatives at fair value through profit or loss under certain conditions (such as nonfulfillment of own-use exemption).

Where embedded derivatives are identified in contracts, they are assessed for any close economic relationship with the host contract. If no such relationship is found, they are accounted for separately as derivatives. Embedded derivatives that are contained in financial assets are not separated; instead, the entire instrument is measured at fair value through profit and loss.

Such host contracts are generally sale or purchase agreements relating to the operational business. The embedded derivatives cause the cash flows from the contracts to vary with exchange-rate or price fluctuations, for example. The internal measurement of embedded derivatives is performed using appropriate valuation models, such as discounted cash flow models, which are based on unobservable inputs (Fair Value Level 3). The relevant models include planned sales and purchase volumes, and prices derived from market data. Fair value changes over the contract term are recognized in other operating income or expenses.

Derivatives are recognized at fair value through profit or loss unless they qualify for hedge accounting. This mainly applies to the exchange hedging of accounting risks, the effects of which are reflected in other financial income and expenses as exchange gains or losses.

The effective portion of derivatives designated as cash flow hedges is initially recognized outside profit or loss in other comprehensive income. Depending on the circumstances, the effective portion of the hedging relationship is determined using the critical terms match method, the dollar offset method or a regression analysis. Any ineffective portions are recognized directly in profit or loss, while the effective portion of the hedging instrument is subsequently recognized in the income statement once the hedged item has been recognized through profit or loss.

The effective portion of the hedging instrument is recognized under the cost of goods sold in the case of commodity futures and options that hedge purchase prices, under sales in the case of commodity futures that hedge selling prices, and in interest income or expense in the case of interest-rate hedges. The effects of the hedging of forecasted sales transactions in foreign currencies are recognized in other operating income or expenses at the time of revenue recognition. The hedging of stock-based employee compensation is recognized accordingly in the respective operating expense items within the functional costs over the duration of the Aspire programs.

Changes in the fair values of derivatives designated as fair value hedges are recognized in income along with the adjustments in the carrying amounts of the hedged items. The effects of interest-rate hedges of issued bonds are reflected in interest income or expense.

Acquisition accounting

An acquisition is a transaction or other event that involves the purchase of an integrated set of activities and assets that include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. Acquired businesses are accounted for using the acquisition method, which in principle requires that the assets acquired and liabilities assumed be recorded at their respective fair values on the date Bayer obtains control. The difference between the consideration transferred (plus the fair value of the pre-existing equity interest in the acquiree in the case of step acquisitions) and the fair values of the acquired assets and assumed liabilities is recognized as goodwill. The results of foreign currency cash flow hedges are factored into the translation of foreign currency purchase price payments. For significant acquisitions, the purchase price allocation is carried out with assistance from independent third-party valuation specialists. The related valuations are based on the information available at the acquisition date. Ancillary acquisition costs are recognized as expenses in the periods in which they occur. During the 12-month measurement period, new information may come to light regarding facts and circumstances that had applied on the date of acquisition. This may then lead to adjusted valuations and the recognition of additional assets and liabilities. These adjustments are recognized outside profit or loss.

The transferred consideration can include contingent consideration that is payable to the previous owners of the acquired company following the acquisition date upon reaching certain milestones, such as progress in the trial or regulatory approval process or surpassing certain sales thresholds. This is recognized at fair value as part of the consideration transferred for the acquired company and is generally recognized as a financial (purchase price) liability. All changes in fair value after the acquisition date are recognized under EBIT in the Consolidated Financial Statements. However, changes in the fair value of the contingent consideration that are based on circumstances that had applied on the date of acquisition are adjusted outside profit or loss within the 12-month measurement period.

The application of the acquisition method requires certain estimates and assumptions to be made, especially concerning the fair values of the acquired intangible assets, property, plant and equipment and the liabilities assumed at the acquisition date, and the useful lives of the acquired intangible assets, property, plant and equipment. Measurement is based to a large extent on anticipated cash flows. If actual cash flows vary from those used in calculating fair values, this may materially affect the Group's future results of operations. In particular, the estimation of discounted cash flows from intangible assets under development, patented and nonpatented technologies, customer relationships and brands is based on assumptions concerning, for example:

// The outcomes of R&D activities regarding the efficacy of a crop protection product, trait, seed or drug development candidate, and results of clinical trials
// The probability of obtaining regulatory approvals in individual countries
// Long-term sales projections
// Possible selling price erosion due to offerings of unpatented products following patent expirations
// The behavior of competitors (launch of competing products, marketing initiatives, etc.)

If the assets acquired do not constitute a business, the individually identifiable assets acquired and liabilities assumed are recognized. The acquisition costs are allocated to the individual assets and liabilities at the acquisition date based on their fair values. Such a transaction or event does not result in goodwill. This also applies if the optional concentration test finds that the transaction in question does not constitute the acquisition of a business.

Divestment accounting

Divestments of shares in subsidiaries that result in a loss of control are generally accounted for in profit or loss. When shares in a subsidiary are gradually divested in several tranches, a reduction in the majority shareholding without the loss of control is reflected outside profit or loss and results in an increase in the equity attributable to noncontrolling interest. After the loss of control, the interest remaining at the time of the loss of control is recognized at fair value.

Impact of the macroeconomic situation

Assessing the impact of the numerous geopolitical and trade policy conflicts, recurring natural disasters and fluctuating energy and commodity prices on our current business performance remains subject to uncertainty.

We continuously assess the impacts of the current geopolitical situation, particularly with regard to the Russian invasion of Ukraine and potential changes in trade and economic policy by the US administration and other governments.

The Group's sales and earnings as well as its financial position and results of operations were only marginally impacted by the war in Ukraine and its direct consequences in 2025. Together, Russia and Ukraine accounted for about 3% of our sales in 2025. As in the previous year, we did not register any major increase in past-due receivables in Russia or Ukraine. Based on a risk analysis conducted at the level of individual customers, there were no significant write-downs of receivables.

As in the previous year, the stability of international payment transactions involving Russia was still subject to considerable uncertainties, and we are continually evaluating suitable risk mitigation measures. Despite increasing payment restrictions, we are still able to carry out all transactions.

We are continually analyzing the future direct and indirect effects of economic developments and sanctions on the valuation of individual assets and liabilities.

Energy procurement costs rose by around 4% (around €25 million) year on year in 2025. We will continue to monitor global-market and political developments, and also take such aspects into account when implementing our energy procurement strategies.

Inflation and the associated interest rates had an impact on the impairment testing of our intangible assets and property, plant and equipment (see Notes [14] and [15]), the measurement of pension provisions (see Note [22]) and other long-term obligations, as well as financial instruments (see Note [27]).

Beyond this, we did not see any material financial impact in 2025.

Impact of climate-related matters

Climate change can give rise to estimation uncertainties and risks with respect to accounting and the possible effects on Bayer's financial position and results of operations.

Due to their potential impact on our financial position and results of operations, climate-related risks are included in our Group-wide enterprise risk management (ERM) system. In addition, we are conducting continuous analysis of the impact of climate change on our business operations as well as relevant activities in upstream and downstream value chains. The dimensions of climate-change impact analyzed include both drivers of transition effects as well as drivers of immediate and long-term physical effects. Physical climate-related risks, which are generally more prevalent on a regional level, can arise as a result of shifts in general climate conditions, while transitional climate-related risks may result for companies from the transition toward a low-carbon economy, which is in most cases driven by regulatory requirements.

The climate models we have analyzed project that, over the long term, there will be an increase in extreme weather conditions (such as droughts, heavy rains and storms) in terms of frequency and intensity, as well as a shift in climate zones. Potential financial consequences resulting for our sites due to climate-related natural events are hedged through insurance coverage to the extent customary in the industry.

In 2025, climate-related matters did not necessitate any changes to the expected useful lives of Group assets, such as due to changing regulatory requirements or climate-related natural events. Likewise, physical or transitional climate-related risks did not lead to any significant material depreciation or amortization. We are committed to continuously developing our portfolio of assets by investing in sustainable technologies in order to reduce greenhouse gas emissions.

The shift in climate zones also presents an elevated risk of crop losses and thus risks for the agricultural value chain as a whole. Weather and climate effects are of particular significance for the Crop Science Division and its downstream value chain in crop cultivation. We are working to advance climate change adaptation while also aiming to counteract changing environmental conditions through innovations and new approaches in order to help strengthen climate resilience. The objective is to offer solutions that put our customers, particularly in agriculture, in a better position to overcome the anticipated challenges.

Transforming our product portfolio and leveraging new business models is therefore part of our Transition and Transformation Plan (see Management Report A 4.2.2 “Climate Change”). Our efforts to support climate change adaptation can be seen in our innovative plant breeding activities, for example. Our Preceon™ Smart Corn System, for instance, produces hybrid seed varieties that grow into short-stature corn crops that potentially do not bend or break as easily as standard-height corn in strong winds or heavy rain, thus minimizing crop losses. We completed the first market launch of our Preceon™ Smart Corn System in 2024. Our business planning takes account of research and development expenses for product innovations that can help adapt our business model to the impacts of climate change. Planned product launches are included in our product innovation pipeline (see Management Report A 1.3 “Focus on Innovation”).

Our Transition and Transformation Plan also focuses on the continual reduction of greenhouse gas emissions at our company and across our entire value chain to help limit global warming to 1.5°C in accordance with the UN Sustainable Development Goals and the Paris Agreement. Through our Transition and Transformation Plan, we aim to reach net zero emissions (net zero target), including throughout our entire value chain[1], by 2050 or earlier. This means we are targeting a 90% reduction in overall greenhouse gas emissions in our own operations (Scope 1 and 2) and across our value chain (Scope 3) compared with the 2019 baseline.[2, 3] We aim to offset the remaining 10% of greenhouse gas emissions through certificates involving long-term carbon capture.[4]

By 2030, Bayer is looking to become carbon-neutral at its own sites (Scope 1 and 2). By the end of 2029, we aim to reduce our greenhouse gas emissions in our own operations by 42% (in absolute terms) compared with the 2019 baseline. This includes direct (Scope 1) and indirect (Scope 2, market-based) emissions produced by Bayer sites with an annual energy consumption exceeding 1.5 terajoules and/or annual water withdrawal that is greater than or equal to 50 Tm³. We will offset all of the remaining greenhouse gas emissions from our own operational processes by 2030 by purchasing certificates from verified climate protection projects, primarily in forestry, forest restoration and agriculture.

[1] Total Scope 1, Scope 2 and Scope 3 greenhouse gas emissions. Comprises direct (Scope 1) and indirect (Scope 2, market-based) greenhouse gas emissions from Bayer sites with an annual energy consumption exceeding 1.5 terajoules and/or annual water withdrawal that is greater than or equal to 50 Tm³. Scope 3 includes all Scope 3 categories defined in the Greenhouse Gas (GHG) Protocol.
[2] When accounting for greenhouse gases, we distinguish between Scope 1 (direct emissions from our own sources), Scope 2 (indirect emissions from the procurement of energy) and Scope 3 (indirect emissions from the entire value chain).
[3] Comprises direct (Scope 1) and indirect (Scope 2, market-based) greenhouse gas emissions from Bayer sites with an annual energy consumption exceeding 1.5 terajoules and/or annual water withdrawal that is greater than or equal to 50 Tm³. The target includes biogenic, land-related emissions and the degradation of greenhouse gases from bioenergy raw materials. With respect to our net zero target, all Scope 3 categories are taken into account when calculating the Scope 3 greenhouse gas emissions for the base year.
[4] The neutralization of the remaining emissions is carried out in accordance with the standards of the Science Based Targets initiative (SBTi).

In 2020, we had set ourselves the target of achieving a 12.3% reduction (in absolute terms) in Scope 3 greenhouse gas emissions by 2029 compared with the 2019 baseline. The reduction pertained to the five categories of Scope 3 emissions that were relevant for us at the time: (3.1) purchased goods and services, (3.2) capital goods, (3.3) fuel- and energy-related activities, (3.4) upstream transportation and distribution, and (3.6) business travel. This target was validated by the Science Based Targets initiative (SBTi) in 2020. In 2024, we adjusted our target, which was once again validated by the SBTi, and now aim to reduce our Scope 3 greenhouse gas emissions by 25% by 2029 (compared with the 2019 baseline). This adjusted reduction target includes all Scope 3 categories.

An important lever for achieving our climate targets is the purchase of electricity from renewable sources. By 2029, we aim to ensure 100% of the electricity we procure is from renewable energy sources. We therefore conclude direct supply agreements for electricity from renewable energy sources or purchase corresponding renewable energy credits. Since 2023, we have had a long-term structured renewable energy credit (REC) purchase agreement in place in the United States under which up to 1.4 TWh of renewable energy will be generated annually, allowing us to acquire up to 1.4 million RECs each year. As the corresponding power generation facilities are not yet operational, no RECs were purchased in 2025 under the agreement. Looking ahead, the agreement is set to allow Bayer to secure 40% of its global and 60% of its US-purchased electricity demand out of renewable sources. The agreement is designed as a contract for difference between fixed prices and the market prices at the respective point in time. Full capacity is expected to be reached during 2028, subject to some uncertainties. The agreement is initially set to run for a further 20 years once full-capacity operations have been achieved (see Note [27] for more information).

In addition, we actively participate in the voluntary carbon market, where we both purchase carbon offsets from verified climate protection projects as well as provide our own carbon offsets. In 2025, we offset around 0.9 million metric tons of CO_2 equivalents (2024: 0.7 million metric tons) via external projects to achieve climate neutrality at our sites. Besides the voluntary carbon market, we also participate in mandatory emissions trading, like the EU Emissions Trading System (EU ETS). For further information on how carbon credits and offsets are accounted for, see Note [3].

In connection with the implementation of the Transition and Transformation Plan, the Crop Science Division's medium-term planning contains climate-related investments in buildings, facilities, processes and research and development, as well as investments to establish new business models. These investments are also taken into account in impairment testing. Since the risks and opportunities from the impact of climate change are balanced, there is currently no need to revise the long-term growth rate. Based on currently available information, there are no indications that additional impairment losses will be required over and above the impairment losses already recognized (see Note [14]).

We are continuing to monitor the risks from climate-related matters and to develop innovative and sustainable methods to minimize these risks. Taking the latest information and assumptions into account, we do not currently see any fundamental change in expectations with regard to the Group's financial position or results of operations.

4. Segment reporting

At Bayer, the Board of Management – as the chief operating decision maker – allocates resources to the operating segments and assesses their performance. The reportable segments and regions are identified, and the disclosures selected, in line with the internal financial reporting system (management approach) and based on the Group accounting policies outlined in Note [3].

As of December 31, 2025, the Bayer Group comprised the three reportable segments Crop Science, Pharmaceuticals and Consumer Health. Their activities are as follows:

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Activities of the segments

Segment	Activities
Crop Science	Development, production and marketing of a broad portfolio of products in seeds and plant traits, crop protection, digital solutions and customer services to promote sustainable agriculture
Pharmaceuticals	Development, production and marketing of prescription products, especially for cardiology and women's health; specialty therapeutics in the areas of oncology, hematology, ophthalmology and – in the medium term – cell and gene therapy; diagnostic imaging equipment and the necessary contrast agents
Consumer Health	Development, production and marketing of mainly nonprescription (OTC = over-the-counter) products in the dermatology, nutritional supplements, digestive health, allergy, cough and cold, and pain and cardiovascular risk prevention categories

Information on other business activities and segments that are not reportable is provided under "All Other Segments." The revenue sources here mainly comprise income from marketing rights and from catering services.

The information provided under "Enabling Functions and Consolidation" mainly relates to Group-wide competence centers and business support services as well as "Leaps by Bayer," which focuses on the development of crucial, cross-species innovations. In the Management Report, "All Other Segments" and "Enabling Functions and Consolidation" are combined under the Reconciliation. It also includes the increase or decrease in expenses for Group-wide long-term stock-based compensation (Aspire) arising from fluctuations in the performance of Bayer stock and other factors, and the consolidation of intersegment sales (2025: €68 million; 2024: €91 million). Also recognized are gains and losses incurred upon the ongoing hyperinflation of nonmonetary assets and liabilities and of equity under IAS 29 for Bayer S.A. in Argentina and for Bayer Türk Kimya Sanayii Limited Sirketi, Monsanto Gida Ve Tarim Ticaret Ltd Sirketi and Bayer Tohumculuk ve Tarim Limited Sirketi in Turkey. Included here in addition are income and expenses resulting from certain contingent liabilities unrelated to the current business along with those pertaining to the comparable central functions of the acquired Monsanto Group. Chief among the latter are the matters relating to lawsuits concerning polychlorinated biphenyls (PCBs) referred to in Note [30], "Legal risks".

The segment data is calculated as follows:

// The intersegment sales reflect intra-Group transactions effected at transfer prices fixed on an arm's-length basis.
// The net cash provided by operating activities is the cash flow from operating activities as defined in IAS 7 (Statement of Cash Flows).
// Leases between fully consolidated companies continue to be recognized as operating leases under IAS 17 within the segment data in the Consolidated Financial Statements of the Bayer Group even after the first-time application of IFRS 16 as of January 1, 2019. This does not have any relevant impact on the respective key data used in the steering of the company and internal reporting to the Board of Management as the chief operating decision maker.

The key data by segment is as follows:

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Key data by segment

	Crop Science		Pharmaceuticals		Consumer Health	
€ million	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**
Net sales (external)	22,259	21,622	18,131	17,829	5,870	5,802
Currency- and portfolio-adjusted change[1]	–2.0%	+1.1%	+3.3%	+1.7%	+1.9%	–0.1%
Intersegment sales	47	56	38	5	5	6
Net sales (total)	22,306	21,678	18,169	17,834	5,875	5,808
EBIT[1]	(2,756)	(2,532)	2,790	3,127	1,028	912
EBITDA before special items[1]	4,325	4,188	4,722	4,525	1,366	1,341
EBITDA margin before special items[1]	19.4%	19.4%	26.0%	25.4%	23.3%	23.1%
ROCE[1]	–5.9%	–6.5%	10.1%	12.0%	8.0%	7.1%
Net cash provided by operating activities	3,197	1,793	3,995	3,901	921	1,232
Capital expenditures (newly capitalized)	1,451	1,310	1,293	1,120	206	208
Depreciation, amortization and impairments	6,722	947	1,554	1,175	236	380
of which impairment losses	4,504	412	619	267	62	22
of which impairment loss reversals	248	2,040	0	25	202	18
Clean depreciation and amortization[1]	2,665	2,764	1,354	1,134	397	380
Cost of goods sold	14,088	11,949	4,848	4,485	2,080	2,038
Selling expenses	4,485	3,808	6,491	6,098	2,379	2,509
Research and development expenses[2]	2,611	2,013	3,366	3,456	254	223

[1] For definition see A 2.3 "Alternative Performance Measures Used by the Bayer Group."
[2] After special items and depreciation/amortization/impairments

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Key data by segment

	All Other Segments		Enabling Functions and Consolidation[3]		Group	
€ million	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**
Net sales (external)	327	302	19	20	46,606	45,575
Currency- and portfolio-adjusted change[1]	+34.5%	–6.5%	–	–	+0.7%	+1.1%
Intersegment sales	1	1	(91)	(68)	–	–
Net sales (total)	328	303	(72)	(48)	46,606	45,575
EBIT[1]	(11)	196	(1,122)	(2,780)	(71)	(1,077)
EBITDA before special items[1]	62	277	(352)	(662)	10,123	9,669
EBITDA margin before special items[1]	–	–	–	–	21.7%	21.2%
ROCE[1]	–	–	–	–	–0.1%	–1.4%
Net cash provided by operating activities	–	–	–	–	7,368	5,930
Capital expenditures (newly capitalized)	71	243	237	267	3,258	3,148
Depreciation, amortization and impairments	73	81	198	202	8,783	2,785
of which impairment losses	1	1	2	2	5,188	705
of which impairment loss reversals	–	–	3	0	453	2,084
Clean depreciation and amortization[1]	73	81	198	202	4,687	4,561
Cost of goods sold	282	232	(28)	93	21,270	18,797
Selling expenses	25	24	(16)	110	13,364	12,549
Research and development expenses[2]	5	1	(27)	76	6,209	5,769

[1] For definition see A 2.3 "Alternative Performance Measures Used by the Bayer Group."
[2] After special items and depreciation/amortization/impairments
[3] The figures presented here are the unallocated components of the Enabling Functions.

Reconciliations

The reconciliation of EBITDA before special items, EBIT before special items and EBIT to Group income before income taxes is given in the following table:

B 4/3

Reconciliation of segments' EBITDA before special items to Group income before income taxes

€ million	2024	2025
EBITDA before special items of segments	10,475	10,331
EBITDA before special items of Enabling Functions and Consolidation	(352)	(662)
EBITDA before special items[1]	**10,123**	**9,669**
Depreciation, amortization and impairment losses/loss reversals before special items of segments	(4,489)	(4,359)
Depreciation, amortization and impairment losses/loss reversals before special items of Enabling Functions and Consolidation	(198)	(202)
Depreciation, amortization and impairment losses/loss reversals before special items	**(4,687)**	**(4,561)**
EBIT before special items of segments	5,986	5,972
EBIT before special items of Enabling Functions and Consolidation	(550)	(864)
EBIT before special items[1]	**5,436**	**5,108**
Special items of segments	(4,935)	(4,269)
Special items of Enabling Functions and Consolidation	(572)	(1,916)
Special items[1]	**(5,507)**	**(6,185)**
EBIT of segments	1,051	1,703
EBIT of Enabling Functions and Consolidation	(1,122)	(2,780)
EBIT[1]	**(71)**	**(1,077)**
Financial result	(2,263)	(2,052)
Income before income taxes	**(2,334)**	**(3,129)**

[1] For definition see A 2.3 "Alternative Performance Measures Used by the Bayer Group."

Information on geographical areas

The following table provides a regional breakdown of external sales by market and of intangible assets and property, plant and equipment:

B 4/4

Information on geographical areas

	Net sales (external) by market		Intangible assets and property, plant and equipment	
€ million	2024	2025	2024	2025
Europe/Middle East/Africa	13,980	13,501	23,726	22,219
of which Germany	2,410	2,584	15,138	11,395
of which Switzerland	575	485	4,428	4,641
North America	16,477	16,725	38,009	35,550
of which United States	14,796	15,098	37,115	34,744
Asia/Pacific	8,071	7,518	1,441	1,243
of which China	3,600	3,468	579	533
Latin America	8,078	7,831	2,408	2,321
of which Brazil	4,317	4,376	1,070	1,065
Total	**46,606**	**45,575**	**65,584**	**61,332**

Information on major customers

Revenues from transactions with a single customer in no case exceeded 10% of Bayer Group sales in 2025 or 2024.

Information on strategic business entities, products and categories

The following tables provide a breakdown of sales by strategic business entity in the Crop Science segment, by product in the Pharmaceuticals segment, and by category in the Consumer Health segment.

B 4/5

Sales by strategic business entity – Crop Science

€ million	2024	2025
Crop Science	**22,259**	**21,622**
Corn Seed & Traits	6,559	7,149
Herbicides[1]	5,493	5,279
of which glyphosate-based products[1]	2,672	2,552
Fungicides	3,157	2,888
Soybean Seed & Traits	2,475	2,214
Insecticides	1,640	1,369
Vegetable Seeds	772	788
Cotton Seed	585	442
Other	1,578	1,493

[1] Starting in 2025, we now report our Industrial Turf & Ornamental business outside the United States under Herbicides, glyphosate-based products (previously: Other). This resulted in an effect of approximately €20 million for full-year 2025. The prior-year figures are presented accordingly.

B 4/6

Sales by product – Pharmaceuticals

€ million	2024	2025
Pharmaceuticals	**18,131**	**17,829**
Eylea™	3,306	3,110
Nubeqa™	1,523	2,385
Xarelto™	3,480	2,344
Mirena™/Kyleena™/Jaydess™	1,267	1,366
Kerendia™	463	829
Adempas™	721	745
YAZ™/Yasmin™/Yasminelle™	658	700
Kovaltry™/Jivi™	687	613
CT Fluid Delivery	562	583
Ultravist™	490	561
Aspirin™ Cardio	634	516
Adalat™	489	503
Gadovist™ product family	428	415
Stivarga™	463	338
Glucobay™	166	177
Other	2,768	2,644

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Sales by category – Consumer Health

€ million	2024	2025
Consumer Health	**5,870**	**5,802**
Nutritionals	1,375	1,457
Dermatology	1,438	1,424
Allergy & Cold	1,252	1,173
Digestive Health	938	937
Pain & Cardio	830	777
Other	37	34

5. Scope of consolidation; subsidiaries and affiliates

5.1 Changes in the scope of consolidation

Changes in the scope of consolidation in 2025 were as follows:

B 5.1/1

Change in the number of consolidated companies

Bayer AG and consolidated companies	Germany	Other countries	Total
January 1, 2025	39	252	291
Changes in scope of consolidation	–	(21)	(21)
Additions[1]	4	–	4
Retirements	–	(2)	(2)
December 31, 2025	**43**	**229**	**272**

[1] Acquisitions, newly established companies and acquisition of control

In conjunction with the acquisition of the consumer care business of Merck & Co., Inc., United States, Bayer entered into a strategic collaboration with that company in 2014. This collaboration is included in the Consolidated Financial Statements as a joint operation. Bayer and Merck & Co., Inc., have mutually agreed to collaborate on the development, production, life-cycle management and marketing of active ingredients and products in the field of soluble guanylate cyclase (sGC) modulation.

In addition, shares in 43 (2024: 43) associates and four (2024: four) joint ventures were accounted for in the Consolidated Financial Statements using the equity method. Details of these companies are given in Note [16].

A total of 44 (2024: 51) subsidiaries and nine (2024: nine) associates or joint ventures that in aggregate are immaterial to the Bayer Group's financial position and results of operations are neither consolidated nor accounted for using the equity method but are recognized at fair value. In 2025, there were zero structured entities among the immaterial subsidiaries (2024: one). The immaterial subsidiaries accounted for less than 0.2% of Group sales, less than 0.3% of equity and less than 0.2% of total assets.

Details of the companies included in the Consolidated Financial Statements, the subsidiary and affiliated companies of the Bayer Group pursuant to Section 313, Paragraph 2 of the German Commercial Code (HGB), and a list of domestic subsidiaries that availed themselves in 2025 of certain exemptions granted under Section 264, Paragraph 3, and Section 264b of the German Commercial Code (HGB), are included in the Consolidated Financial Statements that have been audited and sent for entry into the Company Registry. This information can also be accessed at www.bayer.com/shareownership2025.

5.2 Business combinations and other acquisitions

Acquisitions in 2025

On January 22, 2025, Bayer acquired the remaining 70% of shares in Natsana GmbH, Germany. Natsana has been fully consolidated since January 2025, and is assigned to the Consumer Health segment. Natsana is an online provider focused on the sale and development of natural supplements such as vitamins, minerals, nutrients and probiotics. The acquisition is aimed at strengthening and extending Bayer's position in the Nutritionals category, particularly in the online business. Its portfolio comprises over 100 products under its three main brands: Feel Natural, Nature Love and Natural Elements.

The 30% interest acquired in 2022 was previously accounted for as shares in an associate. The final purchase price paid for the 70% interest was around €209 million. The interest previously accounted for using the equity method was recognized with a fair value of €90 million applicable as of the acquisition date. Remeasurement of the shares accounted for using the equity method resulted in an amount of €0 million (after rounding) that was reflected in equity-method income/loss.

The acquired assets mainly pertain to trademarks (some €43 million) and goodwill (around €337 million). The goodwill mainly reflects Natsana's strong position in the online nutritional supplements business. Moreover, Bayer acquired additional assets with a value of approximately €58 million that mainly comprise inventories and deferred tax assets. In addition, financial liabilities of around €103 million were assumed in connection with the acquisition. It also assumed additional liabilities and provisions totaling around €36 million that mainly relate to trade accounts payable, miscellaneous provisions and future lease payments. The goodwill recognized is not tax-deductible. The purchase price allocation was completed in the fourth quarter of 2025. The acquired business has generated sales of more than €150 million and positive earnings for the Consumer Health segment since the date of first-time consolidation.

On December 17, 2025, Bayer completed the acquisition of a group of assets, essentially two novel diagnostic imaging tracers for systemic amyloidosis under development, from Attralus Inc., Delaware, United States. This strategic acquisition strengthens Bayer's position in molecular imaging and supports precision cardiology, with the aim of achieving improved clinical results through earlier and more accurate diagnosis. Bayer made an upfront payment of around €17 million. Until market launch, Bayer will also make potential near-term development milestone payments as well as possible additional commercial sales-based milestone payments and royalty payments. The acquisition does not fall within the scope of IFRS 3 but is presented as an investment in intangible assets in the area of research and development projects. The upfront payment was fully allocated to the Pharmaceuticals segment.

Acquisitions in 2024

On December 23, 2024, Bayer acquired 100% of the shares of Tavros Therapeutics Inc., United States, a precision oncology platform company. Through this acquisition, Bayer subsidiary Vividion Therapeutics Inc. is expanding its capabilities in terms of proprietary methods for computer-based genomic screening. Combining the Tavros platform with Vividion's chemoproteomics expertise will accelerate the development of previously elusive target proteins and small molecule drugs in the areas of oncology and immunology. The acquisition replaces a strategic collaboration forged in 2022 between Tavros and Vividion. Bayer paid an upfront consideration of around €19 million to acquire Tavros. Further amounts of up to around €29 million are payable upon the achievement of research and development milestones agreed in advance. A liability of €19 million, weighted according to the probability that the payments will have to be made, was recognized for this purpose.

The purchase price mainly comprises goodwill and intangible assets such as technology and platforms. The goodwill primarily reflects the anticipated innovation potential and expertise of the onboarded employees and amounts to €32 million based on the final purchase price allocation. Bayer also acquired additional assets with a value of approximately €8 million that mainly comprise patents, technologies and deferred tax assets, and assumed additional liabilities of around €1 million that primarily comprise future payments in connection with a lease. The goodwill recognized is not tax-deductible. The purchase price allocation was completed in the fourth quarter of 2025. Tavros is assigned to the Pharmaceuticals segment.

On November 1, 2024, Bayer acquired the canola business of HyTech Production Ltd., Canada. By acquiring the canola processing and packaging facility and the related equipment for a commercial canola line, as well as the expertise of onboarded employees, Bayer is expanding its market share in North America. Bayer paid an upfront consideration of around €14 million to acquire the canola business. The purchase price comprises buildings totaling some €6 million, plant equipment of around €4 million, goodwill of around €3 million and land of about €1 million. The goodwill largely reflects potential cost savings in the areas of external services and logistics, as well as the expertise of onboarded employees, and is fully tax deductible. The acquired assets are assigned to the Crop Science segment.

On May 2, 2024, Bayer acquired the remaining 25% of the shares of Bayer Zydus Pharma Private Limited, India, for a purchase price of about €31 million. Bayer Zydus Pharma is active in core segments of the Indian pharmaceutical market and focuses on women's health, diagnostic imaging, cardiovascular disease, diabetes treatment and oncology. The acquisition of the remaining shares was already contractually agreed when the joint venture was established in 2011. In 2018, Bayer increased its interest from 50% to 75% plus one share. Bayer Zydus Pharma has since been fully consolidated, and a liability of €9 million relating to the obligation concerning the remaining shares was recognized and adjusted on a quarterly basis. Corresponding changes in fair value were recognized in profit or loss. Bayer Zydus Pharma is assigned to the Pharmaceuticals segment.

5.3 Discontinued operations, assets and liabilities held for sale, and divestments

Discontinued operations

There were no discontinued operations to report in 2025 or 2024.

Assets and liabilities held for sale

The assets held for sale, net of directly related liabilities, totaled around €23 million as of December 31, 2025 (December 31, 2024: €22 million). As in 2024, they mainly concerned the planned sale of land and property in the United States for around €18 million, which is assigned to the Pharmaceuticals segment.

Divestments in 2025

On June 16, 2025, Bayer sold its global Testoviron™ business, with Mexico as the primary market. On December 10, 2025, Bayer sold the product rights to Progynova™ and Cyclo-Progynova™ in the Europe/Middle East/Africa region. In addition, the company sold its global Ilomedin™/Ilomedine™ business on December 11, 2025. These transactions achieved sales prices totaling around €146 million, which is assigned to the Pharmaceuticals segment.

Divestments in 2024

On December 2, 2024, the Pharmaceuticals segment sold its Progynova™ and Cyclo-Progynova™ business in Asia, with India as the primary market (excluding China). The base purchase price was around €69 million.

In 2024, the Crop Science segment transferred three active substances from its Herbicides and Fungicides businesses to two Indian buyers. On December 19, 2024, the business with the active substance iprovalicarb, for which India is the primary market, and triadimenol in Brazil was sold. On December 23, 2024, furthermore, the active substance ethoxysulfuron, which is primarily marketed in India, was sold. Bayer received a total base purchase price of approximately €72 million.

Notes to the Income Statements

6. Sales

Total reported net sales in 2025 fell by €1,031 million, or 2.2%, year on year to €45,575 million. Sales were derived primarily from product deliveries (€40,934 million; 2024: €42,267 million) and licenses (€3,820 million; 2024: €3,446 million). License revenues amounted to €3,013 million (2024: €2,676 million) for Crop Science, €805 million (2024: €768 million) for Pharmaceuticals and €2 million (2024: €2 million) for Consumer Health. Breakdowns of net sales by segment and geographical area are given in the overview in Note [4].

Sales of €2,352 million were recognized in 2025 (2024: €1,839 million) from performance obligations already satisfied in previous years. These sales primarily resulted from right-to-use licenses granted against sales-based royalties and from adjustments to refund liabilities for expected product returns and rebates to be granted.

Contractually agreed sales volumes pertaining to performance obligations not yet satisfied as of December 31, 2025, are expected to be reclassified to profit or loss as follows, taking into account anticipated sales deductions:

B 6/1

Allocation of transaction price to unfulfilled performance obligations

€ million	2024	2025
Transaction price outstanding as of Dec. 31	**453**	**340**
of which to be recognized within 1 year	147	152
of which to be recognized between 1 and 2 years	139	141
of which to be recognized between 2 and 3 years	134	40
of which to be recognized between 3 and 4 years	33	7
of which to be recognized between 4 and 5 years	–	–

The description above only accounts for customer contracts with an original contractual term of more than one year.

Contract liabilities mainly result from advance payments by customers for product deliveries and are predominantly recognized as sales within one year. Further significant amounts of contract liabilities comprised milestone payments already received for right-to-access licenses. The contract liabilities under right-to-access licenses will be recognized as sales over a period of several years.

The change in contract liabilities was due to the following factors:

B 6/2

Roll-forward of contract liabilities

€ million	2024	2025
Contract liability balance as of Jan. 1	**4,292**	**3,955**
Changes due to business combinations	–	2
Additions	10,149	9,283
Revenue recognized in the current year that was included in the contract liability balance as of Jan. 1	(3,809)	(3,290)
Revenue recognized in the current year that was not included in the contract liability balance as of Jan. 1	(6,760)	(5,649)
Other	(28)	(27)
Exchange differences	111	(372)
Contract liability balance as of Dec. 31	**3,955**	**3,902**

Amounts for rebates, which are reported separately as refund liabilities, amounted to 11.2% of total net sales in 2025 (2024: 11.1%).

The refund liabilities for product returns amounted to 1.2% of total net sales in 2025 (2024: 1.6%).

7. Other operating income

Other operating income was comprised as follows:

B 7/1

Other operating income

€ million	2024	2025
Gains on retirements of noncurrent assets	250	504
Income from reversal of impairment losses on receivables	97	113
Income from reversal of unutilized provisions	30	10
Gains from derivatives	288	306
Sales revenues from products acquired through barter transactions	269	266
Miscellaneous operating income	845	603
Total	**1,779**	**1,802**

Gains on retirements of noncurrent assets related, in part, to the sale of our global Testoviron™ business and the product rights to Progynova™ and Cyclo-Progynova™ in the Europe/Middle East/Africa region for a total amount of €120 million. In addition, the sale of an office building at the site in Mexico resulted in a gain of €66 million. The prior-year figure contained gains related to the sale of Progynova™ and Cyclo-Progynova™ product rights in Asia in the amount of €69 million.

Miscellaneous operating income in 2025 included changes in the fair value of a liability for contingent consideration in the Pharmaceuticals segment in the amount of €125 million. Miscellaneous operating income also included insurance compensation of €119 million in connection with our PCB, glyphosate and dicamba litigations. The remaining amount comprised a number of individually immaterial items at the subsidiaries.

8. Other operating expenses

Other operating expenses were comprised as follows:

B 8/1

Other operating expenses

€ million	2024	2025
Losses on retirements of noncurrent assets	(43)	(35)
Impairment losses on receivables	(164)	(295)
Expenses for significant litigations	(282)	(7,584)
Losses from derivatives	(280)	(230)
Cost of goods sold for products acquired through barter transactions	(270)	(261)
Impairment losses on goodwill	(3,263)	–
Miscellaneous operating expenses	(737)	(774)
Total	**(5,039)**	**(9,179)**

Expenses for significant litigations amounted to €7,584 million and were mainly attributable to expenses for litigations surrounding glyphosate and polychlorinated biphenyls (PCBs). The prior-year figure of €282 million was primarily attributable to expenses for litigations surrounding PCBs. These expenses were reported as special items in segment reporting.

Miscellaneous operating expenses included legal costs of €212 million that were unrelated to the aforementioned significant litigations and are not reported as special items in segment reporting. Miscellaneous operating expenses also included changes in the fair value of a liability for contingent consideration in the Pharmaceuticals segment in the amount of €96 million. Donations to charitable activities totaled €62 million. The remaining amount comprised a number of individually immaterial items at the subsidiaries.

For information on the legal risks and the provisions established for this purpose, see Notes [30] and [23].

Miscellaneous operating expenses also included an expense of €89 million (2024: income of €79 million) as a result of the ongoing hyperinflation of nonmonetary assets and liabilities as well as equity in Argentina and Turkey.

9. Personnel expenses and employee numbers

Personnel expenses decreased by €726 million in 2025 to €11,725 million (2024: €12,451 million). The significant cost savings from the headcount reduction as well as lower expenses for our restructuring programs more than offset higher expenses for our Group-wide incentive programs.

B 9/1

Personnel expenses

€ million	2024	2025
Salaries	10,153	9,548
Social expenses and expenses for pensions and other benefits	2,298	2,177
of which for defined contribution pension plans	574	527
of which for defined benefit and other pension plans	228	203
Total	**12,451**	**11,725**

The interest portion of the allocation to personnel-related provisions – mainly for pensions and other post-employment benefits – is included in the financial result under other financial expenses (Note [10.3]).

The average number of employees in the various functional areas was as follows:

B 9/2

Average numbers of employees

	2024	2025
Production	40,898	37,339
Marketing and distribution	30,526	29,008
Research and development	16,459	15,659
General administration	8,301	7,748
Total	**96,184**	**89,754**
Apprentices	1,179	1,105

The number of employees on either permanent or temporary contracts is stated in full-time equivalents (FTEs), with part-time employees included on a prorated basis in line with their contractual working hours. The total number of employees on the closing date was 88,078 (2024: 92,815).

10. Financial result

The financial result for 2025 was minus €2,052 million (2024: minus €2,263 million), comprising an equity-method loss of €44 million (2024: €132 million), financial expenses of €2,515 million (2024: €2,676 million) and financial income of €507 million (2024: €545 million). Details of the components of the financial result are provided in the following sections.

10.1 Income (loss) from investments in affiliated companies

The net income (loss) from investments in affiliated companies was comprised as follows:

B 10.1/1

Income (loss) from investments in affiliated companies

€ million	2024	2025
Net income (loss) from investments accounted for using the equity method (equity-method income/loss)	(132)	(44)
Expenses		
Losses from changes in fair values of investments in affiliated companies	(27)	(2)
Miscellaneous expenses from investments in affiliated companies	(4)	–
Income		
Miscellaneous income from investments in affiliated companies	–	20
Total	**(163)**	**(26)**

Income from investments accounted for using the equity method included expenses of €53 million (2024: €131 million) from “Leaps by Bayer” investments. This included a gain of €93 million from the sale of our interest in Capstan Therapeutics, Inc., United States. Further details of the companies accounted for using the equity method are given in Note [16].

Miscellaneous income from investments in affiliated companies primarily contained income of €18 million from a “Leaps by Bayer” investment in Corxel Pharmaceuticals Limited, China.

10.2 Net interest expense

The net interest expense was comprised as follows:

B 10.2/1

Net interest expense

€ million	2024	2025
Interest and similar expenses	**(1,946)**	**(1,929)**
of which interest expense relating to nonfinancial liabilities	(71)	(286)
Interest and similar income	**521**	**471**
of which interest income relating to nonfinancial assets	74	179
Total	**(1,425)**	**(1,458)**

10.3 Other financial income and expenses

Other financial income and expenses were comprised as follows:

B 10.3/1

Other financial income and expenses

€ million	2024	2025
Expenses		
Interest portion of discounted provisions[1]	(412)	(336)
Exchange gain (loss)	(203)	(169)
Miscellaneous financial expenses	(84)	(79)
Income		
Miscellaneous financial income	24	16
Total	**(675)**	**(568)**

[1] Also including effects from the remeasurement of corresponding overfunding

The interest portion of discounted provisions comprised €71 million (2024: €116 million) in net interest expense for pension and other post-employment benefit provisions. The interest expense for pension and other post-employment benefit provisions included €769 million (2024: €789 million) in interest expense from the unwinding of the discount on the present value of the defined benefit obligation, and €698 million (2024: €673 million) in interest income from plan assets. There were also effects from the unwinding of the discount for other provisions and from fluctuations of the discount rate for personnel-related provisions of minus €317 million (2024: minus €326 million), of which minus €266 million (2024: minus €266 million) was due to the unwinding of the discount for provisions for litigations. The remeasurement of net assets from other long-term employee benefits resulted in income of €52 million (2024: €30 million).

The miscellaneous financial expenses included €31 million (2024: €18 million) in negative changes in the fair value of financial investments in debt instruments, as well as expenses of €6 million (2024: €42 million) as a result of ongoing hyperinflation, mainly in Argentina.

The miscellaneous financial income included €11 million (2024: €15 million) arising from positive changes in the fair value of financial investments in debt instruments.

11. Taxes

The breakdown of tax expenses by origin was as follows:

B 11/1

Tax expense by origin

€ million	2024	Of which income taxes	2025	Of which income taxes
Taxes paid or accrued				
Current income taxes				
Germany	(58)	(58)	53	53
Other countries	(887)	(887)	(1,048)	(1,048)
Other taxes				
Germany	(38)		(44)	
Other countries	(165)		(163)	
	(1,148)	**(945)**	**(1,202)**	**(995)**
Deferred taxes				
from temporary differences	753	753	437	437
from tax loss and interest carryforwards and tax credits	(20)	(20)	92	92
	733	**733**	**529**	**529**
Total	**(415)**	**(212)**	**(673)**	**(466)**

Other taxes mainly included land, vehicle and other indirect taxes and are included in the respective operating expense items.

The deferred tax assets and liabilities were allocable to the following items in the statements of financial position:

B 11/2

Deferred tax assets and liabilities

€ million	Dec. 31, 2024 Deferred tax assets	Deferred tax liabilities	Dec. 31, 2025 Deferred tax assets	Deferred tax liabilities
Intangible assets[1]	417	4,119	287	3,232
Research and development expenses[1]	2,654	–	2,483	–
Property, plant and equipment[1]	198	755	133	727
Financial assets	306	415	179	226
Inventories	2,965	1,443	3,302	1,477
Receivables	257	455	417	247
Other assets	3	37	2	1
Provisions for pensions and other post-employment benefits	1,109	560	551	570
Other provisions	2,548	124	1,883	142
Liabilities	1,775	336	1,203	212
Tax loss and interest carryforwards	912	–	1,320	–
Tax credits	399	–	50	–
	13,543	**8,244**	**11,810**	**6,834**
Set-off[1]	(7,379)	(7,379)	(6,065)	(6,065)
Total	**6,164**	**865**	**5,745**	**769**

[1] To improve the presentation and comparability of information, we have presented deferred taxes related to research and development expenses that are capitalized purely for tax reasons in a separate line item and reclassified from the prior-year figures an amount of €935 million from intangible assets and of €1,719 million from property, plant and equipment.

The net asset surplus arising from deferred tax receivables and liabilities decreased year on year by €323 million. Of this amount, €529 million was recognized as deferred tax income in the income statement and €852 million as a reduction in other comprehensive income. The change in other comprehensive income mainly related to the remeasurement of the net defined benefit liability for post-employment benefit plans as well as currency effects.

The use of tax loss carryforwards reduced current income taxes in 2025 by €69 million (2024: €36 million). The use of tax credits reduced current income taxes by €28 million (2024: €219 million).

Of the total tax loss and interest carryforwards of €21,529 million, including interest carryforwards of €2,963 million (2024: €21,043 million, including interest carryforwards of €3,203 million), an amount of €7,146 million, including interest carryforwards of €1,617 million (2024: €5,077 million, including interest carryforwards of €56 million) is expected to be usable within a reasonable period.

Deferred tax assets of €1,320 million (2024: €912 million) were recognized for the amount of tax loss and interest carryforwards expected to be usable. The use of €14,383 million of tax loss and interest carryforwards, including interest carryforwards of €1,346 million (2024: €15,966 million, including interest carryforwards of €3,147 million) was subject to legal or economic restrictions. Consequently, no deferred tax assets were recognized for this amount. The decrease in unusable interest carryforwards mainly resulted from the tax reform in the United States. If these tax loss and interest carryforwards had been fully usable, deferred tax assets of €1,579 million (2024: €1,928 million) would additionally have been recognized.

Tax credits of €51 million (2024: €399 million) were recognized as deferred tax assets in 2025. The use of €1,614 million (2024: €1,098 million) of tax credits was subject to legal or economic restrictions. Consequently, no deferred tax assets were recognized for this amount.

B 11/3

Expiration of unusable tax credits and of tax loss and interest carryforwards

	Tax credits		Tax loss and interest carryforwards	
€ million	**Dec. 31, 2024**	**Dec. 31, 2025**	**Dec. 31, 2024**	**Dec. 31, 2025**
Within one year	–	–	10	4
Within two years to five years	158	–	125	47
Thereafter	940	1,614	15,831	14,332
Total	**1,098**	**1,614**	**15,966**	**14,383**

The use of €8,307 million (2024: €0 million) of deductible temporary differences was subject to legal or economic restrictions. The increase is mainly due to a remeasurement of the deductible temporary differences in connection with the settlement agreements in the United States.

In 2025, subsidiaries that reported losses for 2025 or 2024 recognized net deferred tax assets totaling €2,931 million (2024: €1,528 million) from temporary differences, tax credits, and tax loss and interest carryforwards. These assets were considered to be unimpaired because the companies concerned are expected to generate taxable income in the future or sufficient deferred tax income.

Deferred tax liabilities of €34 million were recognized in 2025 (2024: €25 million) for planned dividend payments by subsidiaries. Deferred tax liabilities were not recognized for differences on €22,821 million (2024: €30,808 million) of retained earnings of subsidiaries because these earnings are to be reinvested for an indefinite period.

The reconciliation of expected to actual income tax income or expense (2025: minus €1,362 million; 2024: minus €817 million) and of the expected to the effective tax rate for the Group was as follows:

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Reconciliation of expected to actual income tax income or expense

	2024		2025	
	€ million	%	€ million	%
Expected income tax (income) and expense[1] and expected tax rate	**(605)**	**25.9**	**(896)**	**28.7**
Tax reduction from tax-free income	(53)	2.3	(68)	2.2
Tax reductions from recognition of previously unrecognized deferred tax assets on temporary differences, tax loss and interest carryforwards, and from utilization of carryforwards without previously recognized deferred tax assets	(37)	1.6	(133)	4.2
Increase in taxes due to non-tax-deductible expenses	401	(17.2)	391	(12.5)
Tax expense for expected unrecoverable temporary differences, tax loss and interest carryforwards	321	(13.8)	1,695	(54.2)
Tax (income) and expenses relating to other periods	(96)	4.1	158	(5.1)
Tax effects of changes in tax rates	(62)	2.7	(47)	1.5
Other tax effects	343	(14.7)	(634)	20.3
Actual income tax (income) and expense and effective tax rate	**212**	**(9.1)**	**466**	**(14.9)**

[1] Expected income tax (income) and expense is calculated by applying an expected weighted average tax rate to the pre-tax income of the Group. This average rate was determined on the basis of expected tax rates for the individual Group companies.

The increase in expected tax income year on year was largely due to the lower pre-tax income.

The increase in taxes due to non-tax-deductible expenses amounted to €391 million and was mainly the result of non-tax-deductible interest expenses, trade-tax additions and non-tax-deductible expenses in Germany.

Tax expense for expected unusable temporary differences, tax loss and interest carryforwards of €1,695 million primarily pertained to the United States.

The €634 million in tax benefits from other tax effects primarily comprised tax benefits from tax credits, income from adjustments to provisions for tax risks, and effects from tax rate differences.

The Bayer Group falls within the scope of the global minimum taxation rules (“Pillar Two”), according to which the Bayer Group must pay a top-up tax for each jurisdiction in which the effective tax rate is below 15%. The top-up tax calculated for the Bayer Group for 2025 amounts to €5 million.

12. Income/losses attributable to noncontrolling interest

Income attributable to noncontrolling interest amounted to €25 million (2024: €6 million). Losses attributable to noncontrolling interest amounted to €0 million (2024: €0 million). The income and losses primarily pertained to Bayer CropScience Limited, India (income of €20 million, 2024: income of €2 million), Rede Agro Fidelidade e Intermediacao S.A., Brazil (income of €4 million, 2024: income of €3 million), and Bayer LLC Saudia Arabia, Saudi Arabia (income of €1 million, 2024: income of €1 million).

13. Earnings per share

Earnings per share are determined according to IAS 33 (Earnings Per Share) by dividing the net income for the period attributable to Bayer AG stockholders by the weighted average number of outstanding shares. As no dilutive financial instruments were in circulation at the end of the 2024 and 2025 reporting periods, diluted earnings per share were equivalent to basic earnings per share.

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Earnings per share

	€ million		Earnings per share (€)	
	2024	**2025**	**2024**	**2025**
Income after income taxes (attributable to Bayer AG stockholders)	**(2,552)**	**(3,620)**	**(2.60)**	**(3.68)**
of which income after income taxes from continuing operations (attributable to Bayer AG stockholders)	(2,552)	(3,620)	(2.60)	(3.68)
Weighted average number of outstanding shares (million)	**982.42**	**982.42**	**–**	**–**

Notes to the Statements of Financial Position

14. Goodwill and other intangible assets

Changes in intangible assets in 2025 were as follows:

B 14/1

Changes in intangible assets

€ million	Acquired goodwill	Patents and technol-ogies	Trade-marks	Marketing and distribution rights	Production rights	R&D projects	Other rights and advance payments	Total
Cost of acquisition or generation, December 31, 2024	**45,033**	**34,730**	**13,898**	**3,880**	**1,666**	**4,920**	**4,739**	**108,866**
Acquisitions	334	7	43	–	–	–	–	384
Capital expenditures	–	240	–	384	–	178	398	1,200
Retirements	–	(92)	(166)	(16)	(863)	(51)	(284)	(1,472)
Transfers	–	847	3	312	11	(1,153)	4	24
Transfers (IFRS 5)	–	–	–	–	–	–	–	–
Divestments/changes in scope of consolidation	(2)	–	–	–	–	–	(45)	(47)
Inflation adjustment (IAS 29)	16	3	–	1	–	–	5	25
Exchange differences	(3,714)	(2,668)	(961)	(173)	(7)	(348)	(255)	(8,126)
December 31, 2025	**41,667**	**33,067**	**12,817**	**4,388**	**807**	**3,546**	**4,562**	**100,854**
Accumulated amortization and impairment, December 31, 2024	**15,017**	**25,084**	**8,017**	**2,648**	**1,646**	**1,237**	**3,089**	**56,738**
Retirements	–	(70)	(163)	(16)	(863)	(48)	(276)	(1,436)
Amortization and impairment losses	–	1,635	401	251	1	209	458	2,955
Amortization	–	1,501	363	180	1	–	410	2,455
Impairment losses	–	134	38	71	–	209	48	500
Impairment loss reversals	–	(1,495)	(297)	(52)	–	(215)	(21)	(2,080)
Transfers	–	101	2	(14)	11	(102)	3	1
Transfers (IFRS 5)	–	–	–	–	–	–	–	–
Divestments/changes in scope of consolidation	–	–	–	–	–	–	(45)	(45)
Inflation adjustment (IAS 29)	2	3	–	1	–	–	5	11
Exchange differences	(1,413)	(1,692)	(500)	(133)	(4)	(66)	(165)	(3,973)
December 31, 2025	**13,606**	**23,566**	**7,460**	**2,685**	**791**	**1,015**	**3,048**	**52,171**
Carrying amounts, December 31, 2025	**28,061**	**9,501**	**5,357**	**1,703**	**16**	**2,531**	**1,514**	**48,683**
Carrying amounts, December 31, 2024	**30,016**	**9,646**	**5,881**	**1,232**	**20**	**3,683**	**1,650**	**52,128**

The amortization of intangible assets is allocated to the individual functional costs on the basis of the economic substance of the underlying asset. The amortization of trademarks and of marketing and distribution rights is generally reflected in selling expenses, and the amortization of production rights in the cost of goods sold. The amortization of patents and technologies is mainly included in the cost of goods sold or in research and development expenses. Acquired goodwill, research and development projects, and advance payments made are not subject to amortization.

Impairment testing was conducted in the Crop Science segment in the second quarter of 2025 due to the presentation of a comprehensive update on the business strategy (Five-Year Framework). In conjunction with this strategy update and the related analyses, long-term modeling assumptions for impairment testing in accordance with IAS 36 were reviewed and the estimate updated accordingly. This resulted in an impairment loss reversal for the cash-generating unit Corn Seed & Traits of €647 million (comprising €97 million on research and development projects, €423 million on patents and technologies, €108 million on trademarks and €19 million on marketing and distribution rights). The impairment loss reversal was mainly attributable to the favorable development of our product pipeline in the area of traits.

In the course of our Crop Science strategy review, we also examined the resource allocation between the segment's individual business units. This analysis enabled a modified allocation of costs to the cash-generating units as part of impairment testing. This resulted in an impairment loss reversal for the cash-generating unit Cotton Seed of €389 million (comprising €13 million on research and development projects, €316 million on patents and technologies, €54 million on trademarks and €6 million on marketing and distribution rights), as well as an impairment loss for the cash-generating unit Vegetable Seeds of €196 million (comprising €43 million on research and development projects, €126 million on patents and technologies, €20 million on trademarks and €7 million on marketing and distribution rights). Around €40 million of this impairment loss was due to a rise in the cost of capital.

The impairment loss reversals and impairment losses on the cash-generating units' assets were allocated to the cost of goods sold, selling expenses, and research and development expenses. The impairment loss reversals and impairment losses reflected the difference between the respective carrying amounts and their fair value less costs of disposal.

Our regular annual impairment testing in the fourth quarter of 2025 resulted in the recognition of impairment loss reversals of €998 million on intangible assets in the Crop Science segment.

These impairment loss reversals were attributable to the cash-generating units Soybean Seed & Traits (€838 million, comprising €620 million on patents and technologies, €98 million on research and development projects, €95 million on trademarks and €25 million on marketing and distribution rights), and Cotton Seed (€160 million, comprising €134 million on patents and technologies, €6 million on research and development projects, €19 million on trademarks and €1 million on marketing and distribution rights). The impairment loss reversals were mainly attributable to improved business prospects in both cash-generating units.

The impairment loss reversals on the assets of the cash-generating units were recognized in the cost of goods sold, selling expenses, and research and development expenses. The impairment loss reversals reflected the difference between the respective carrying amounts and their fair value less costs of disposal.

The table below indicates the capital cost factors used in the impairment testing on the cash-generating units of the Crop Science segment in the fourth quarter of 2024, and the second and fourth quarters of 2025.

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Impairment testing parameters

	After-tax cost of capital		
%	**Q4 2024**	**Q2 2025**	**Q4 2025**
Corn Seed & Traits	9.7	9.9	8.8
Soybean Seed & Traits	9.3	9.5	9.0
Glyphosate	10.4	10.4	8.7
Dicamba	7.7	7.7	7.2
Cotton Seed	7.8	8.1	7.7
Canola	8.0	7.9	7.6
Vegetable Seeds	9.2	9.8	9.0

In the Pharmaceuticals segment, regular annual impairment testing in the fourth quarter resulted in impairment losses of €62 million on marketing and distribution rights as well as impairment loss reversals on other rights in the amount of €21 million, largely due to revised sales expectations. The impairment losses and impairment loss reversals reflected the difference between the respective carrying amounts and their fair value less costs of disposal and were recognized in selling expenses.

In addition, impairment losses of around €136 million (2024: €93 million) were recognized in 2025 due to the ongoing evaluation of individual research and development projects during the year. The impairment losses were allocated to research and development expenses.

In the Consumer Health segment, regular annual impairment testing resulted in impairment loss reversals of €18 million on the trademark Triderm™ in the Dermatology category. In addition, there were impairment losses in the same amount for the trademark Aerius™ in the Allergy & Cold category. The impairment losses and impairment loss reversals were largely attributable to revised sales expectations. The impairment losses and impairment loss reversals were recognized in selling expenses and reflected the difference between the respective carrying amounts and their fair value less costs of disposal.

Changes in intangible assets in 2024 were as follows:

B 14/3

Changes in intangible assets (previous year)

€ million	Acquired goodwill	Patents and technol-ogies	Trade-marks	Marketing and distribution rights	Production rights	R&D projects	Other rights and advance payments	Total
Cost of acquisition or generation, December 31, 2023	**43,456**	**32,935**	**13,408**	**3,761**	**1,668**	**4,917**	**4,577**	**104,722**
Acquisitions	41	–	–	–	–	–	–	41
Capital expenditures	–	85	5	100	–	484	488	1,162
Retirements	–	(63)	(2)	(51)	(5)	(256)	(425)	(802)
Transfers	–	450	–	6	–	(447)	(9)	–
Transfers (IFRS 5)	–	–	–	–	–	–	–	–
Divestments/changes in scope of consolidation	–	–	–	–	–	–	–	–
Inflation adjustment (IAS 29)	28	7	–	2	–	–	9	46
Exchange differences	1,508	1,316	487	62	3	222	99	3,697
December 31, 2024	**45,033**	**34,730**	**13,898**	**3,880**	**1,666**	**4,920**	**4,739**	**108,866**
Accumulated amortization and impairment, December 31, 2023	**11,157**	**22,239**	**7,465**	**2,401**	**1,648**	**1,376**	**2,774**	**49,060**
Retirements	–	(47)	(2)	(49)	(5)	(256)	(418)	(777)
Amortization and impairment losses	3,267	2,176	546	251	1	178	667	7,086
Amortization	–	1,501	386	146	1	–	420	2,454
Impairment losses	3,267	675	160	105	–	178	247	4,632
Impairment loss reversals	–	(157)	(243)	(7)	–	(42)	–	(449)
Transfers	–	64	–	–	–	(64)	–	–
Transfers (IFRS 5)	–	–	–	–	–	–	–	–
Divestments/changes in scope of consolidation	–	–	–	–	–	–	–	–
Inflation adjustment (IAS 29)	5	7	–	2	–	–	10	24
Exchange differences	588	802	251	50	2	45	56	1,794
December 31, 2024	**15,017**	**25,084**	**8,017**	**2,648**	**1,646**	**1,237**	**3,089**	**56,738**
Carrying amounts, December 31, 2024	**30,016**	**9,646**	**5,881**	**1,232**	**20**	**3,683**	**1,650**	**52,128**
Carrying amounts, December 31, 2023	**32,299**	**10,696**	**5,943**	**1,360**	**20**	**3,541**	**1,803**	**55,662**

The long-term growth rates and cost of capital factors used in the regular impairment testing of goodwill in the fourth quarters of 2024 and 2025 are shown in the following table. A long-term growth rate of 2% and an after-tax cost of capital of 9.7% were applied in the testing of goodwill for impairment in the Crop Science segment in the second quarter of 2025.

B 14/4

Impairment testing parameters

	Growth rate		After-tax cost of capital	
%	**Q4 2024**	**Q4 2025**	**Q4 2024**	**Q4 2025**
Crop Science	2.0	2.0	9.4	8.8
Pharmaceuticals	0.0	0.0	7.1	7.2
Consumer Health	1.0	1.0	7.6	6.9

Testing goodwill for impairment involves calculating the fair value less costs to sell. Impairment losses totaling €3,267 million were recognized on goodwill in the Crop Science segment in 2024.

A sensitivity analysis undertaken for the impairment testing of goodwill at year-end was based on a 10% reduction in future cash flows, a 10% increase in the weighted average cost of capital or a one-percentage-point reduction in the long-term growth rate. As in the prior year, the sensitivity analysis showed that no impairment loss would need to be recognized for the Pharmaceuticals and Consumer Health segments in the event of a 10% reduction in future cash flows, a 10% increase in the weighted average cost of capital, or a one-percentage-point reduction in the long-term growth rate. In the Crop Science segment, a 10% reduction in future cash flows, a 10% increase in the weighted average cost of capital, or a one-percentage-point reduction in the long-term growth rate would also not necessitate the recognition of an impairment loss. In 2024, a 10% reduction in future cash flows here would have led to a reduction in the fair value less costs of disposal of approximately €3.5 billion, a 10% increase in the weighted average cost of capital would have led to a corresponding reduction of approximately €3.9 billion, and a one-percentage-point reduction in the long-term growth rate would have led to a change in value of approximately €2.5 billion, each of which would have led to an additional impairment loss on goodwill. As a reasonably possible change in key assumptions would not currently necessitate the recognition of an impairment loss on goodwill, no additional disclosures are provided in accordance with IAS 36.134(f)(ii).

The following table shows the sensitivities of the cash-generating units of the Crop Science segment in relation to a 10% increase in the weighted average cost of capital, a 10% reduction in future cash flows, a 1% reduction in sales and a 1% increase in costs:

B 14/5

Sensitivities of the cash-generating units

€ million	WACC +10%	Cash flows –10%	Sales[1] –1%	Costs +1%
Soybean Seed & Traits	(140)	(269)	(72)	(90)
Cotton Seed	(24)	(80)	(15)	(12)
Canola	(20)	(48)	(10)	(12)
Vegetable Seeds	(57)	(124)	(26)	(30)

[1] Adjusted for corresponding costs of goods sold and selected selling expenses

Since the cash-generating unit Corn Seed & Traits includes a significant amount of intangible assets with an indefinite useful life, the above-mentioned sensitivities would not necessitate the recognition of any impairment losses. As a reasonably possible change in key assumptions would not currently necessitate the recognition of an impairment on goodwill, no additional disclosures are provided in accordance with IAS 36.134(f)(ii).

The levels at which impairment testing is performed are explained in Note [3]. Goodwill and unamortized intangible assets that are of material significance for the Bayer Group are allocated to the following segments:

B 14/6

Intangible assets with an indefinite useful life

	Goodwill (€ million)		Material intangible assets with an indefinite useful life (€ million)	
Reporting segment	2024	2025	2024	2025
Crop Science	13,767	12,412	2,313	1,865
Pharmaceuticals	11,909	11,255	1,367	664
Consumer Health	4,340	4,394	3	2

The main unamortized intangible assets comprise research and development projects not yet available for use. In the case of research and development projects, the point in time from which a capitalized asset can be expected to generate an economic benefit for the company cannot be determined. Such assets are therefore classified as having an indefinite useful life and are subjected to annual impairment testing. In addition, there were other rights and advance payments made for intangible assets totaling €548 million (2024: €529 million) that were also not subject to amortization.

Another unamortized intangible asset is the Bayer Cross, which was reacquired for the North America region in 1994, having been awarded to the United States and Canada under the reparations agreements at the end of the First World War. The period for which the Bayer Group will derive an economic benefit from this name cannot be determined as the company intends to make continuous use of it. The Bayer Cross is capitalized at €108 million (2024: €108 million).

15. Property, plant and equipment

Changes in property, plant and equipment in 2025 were as follows:

B 15/1

Changes in property, plant and equipment

€ million	Land and buildings	Plant installations and machinery	Furniture, fixtures and other equipment	Construction in progress and advance payments	Total
Cost of acquisition or construction, December 31, 2024	**11,574**	**13,756**	**2,881**	**3,011**	**31,222**
Acquisitions	3	–	1	–	4
Capital expenditures	345	359	285	959	1,948
Retirements	(323)	(881)	(242)	(56)	(1,502)
Transfers	351	696	125	(1,180)	(8)
Transfers (IFRS 5)	(30)	(34)	(6)	–	(70)
Divestments/changes in the scope of consolidation	–	2	(1)	(1)	–
Inflation adjustment (IAS 29)	68	88	12	(16)	152
Exchange differences	(768)	(792)	(194)	(185)	(1,939)
December 31, 2025	**11,220**	**13,194**	**2,861**	**2,532**	**29,807**
Accumulated depreciation and impairment, December 31, 2024	**5,574**	**9,525**	**2,054**	**613**	**17,766**
Retirements	(260)	(870)	(211)	(55)	(1,396)
Depreciation and impairment losses	530	832	319	124	1,805
Depreciation	513	793	294	–	1,600
Impairment losses	17	39	25	124	205
Impairment loss reversals	(1)	–	(2)	(1)	(4)
Transfers	54	116	30	(184)	16
Transfers (IFRS 5)	(22)	(29)	(5)	–	(56)
Divestments/changes in the scope of consolidation	–	2	–	–	2
Inflation adjustment (IAS 29)	31	58	14	–	103
Exchange differences	(337)	(555)	(137)	(49)	(1,078)
December 31, 2025	**5,569**	**9,079**	**2,062**	**448**	**17,158**
Carrying amounts, December 31, 2025	**5,651**	**4,115**	**799**	**2,084**	**12,649**
Carrying amounts, December 31, 2024	**6,000**	**4,231**	**827**	**2,398**	**13,456**

Impairment losses on property, plant and equipment amounted to €205 million (2024: €556 million) and were mainly attributable to impairment losses in connection with the production of crop protection products. The impairment losses were recognized in the cost of goods sold.

In the previous year, impairment losses on property, plant and equipment in the Crop Science segment amounted to €402 million. This figure included an impairment loss of €213 million pertaining to the sourcing of raw materials used in the production of glyphosate. This impairment loss arose from assets being assessed individually as part of regular impairment testing in the fourth quarter and was due to updated assumptions about raw material prices. The impairment losses were recognized in the cost of goods sold.

Impairment losses recognized on property, plant and equipment in the Pharmaceuticals segment totaled around €140 million in 2024, mainly comprising €127 million for the discontinuation of two capital expenditure projects based on strategic evaluations of required production capacities. This figure included impairment losses on a multi-purpose facility (€99 million) and a facility to provide capacity for product launches (€28 million). The impairment losses were recognized in the cost of goods sold.

In 2025, borrowing costs of €56 million (2024: €61 million) were capitalized as components of the cost of acquisition or construction of qualifying assets, applying an average interest rate of 3.9% (2024: 3.5%).

Right-of-use assets totaling €1,164 million (2024: €1,139 million) held under leases were capitalized in property, plant and equipment. Further information on leases is given in Note [28].

Changes in property, plant and equipment in 2024 were as follows:

B 15/2

Changes in property, plant and equipment (previous year)

€ million	Land and buildings	Plant installations and machinery	Furniture, fixtures and other equipment	Construction in progress and advance payments	Total
Cost of acquisition or construction, December 31, 2023	**10,739**	**12,621**	**2,725**	**3,172**	**29,257**
Acquisitions	8	4	–	–	12
Capital expenditures	310	336	293	1,158	2,097
Retirements	(221)	(289)	(271)	(57)	(838)
Transfers	503	815	73	(1,391)	–
Transfers (IFRS 5)	(35)	(5)	(2)	–	(42)
Divestments/changes in the scope of consolidation	6	(4)	–	–	2
Inflation adjustment (IAS 29)	103	107	32	64	306
Exchange differences	161	171	31	65	428
December 31, 2024	**11,574**	**13,756**	**2,881**	**3,011**	**31,222**
Accumulated depreciation and impairment, December 31, 2023	**5,020**	**8,653**	**1,928**	**335**	**15,936**
Retirements	(157)	(262)	(236)	(55)	(710)
Depreciation and impairment losses	567	856	311	418	2,152
Depreciation	529	780	287	–	1,596
Impairment losses	38	76	24	418	556
Impairment loss reversals	(4)	(1)	–	–	(5)
Transfers	45	56	4	(105)	–
Transfers (IFRS 5)	(15)	(4)	(2)	–	(21)
Divestments/changes in the scope of consolidation	2	(1)	–	–	1
Inflation adjustment (IAS 29)	55	94	29	–	178
Exchange differences	61	134	20	20	235
December 31, 2024	**5,574**	**9,525**	**2,054**	**613**	**17,766**
Carrying amounts, December 31, 2024	**6,000**	**4,231**	**827**	**2,398**	**13,456**
Carrying amounts, December 31, 2023	**5,719**	**3,968**	**797**	**2,837**	**13,321**

Investment property

The total carrying amount of investment property as of December 31, 2025, was €99 million (December 31, 2024: €109 million). The fair value of this property was €575 million (2024: €576 million). The rental income from investment property was €16 million (2024: €17 million), and the operating expenses directly allocable to this property amounted to €3 million (2024: €3 million).

16. Investments accounted for using the equity method

Some 43 (2024: 43) associates and four (2024: four) joint ventures were accounted for in the Consolidated Financial Statements using the equity method. A list of these companies is available at www.bayer.com/shareownership2025.

The following table contains a summary of the aggregated income statement data and aggregated carrying amounts of the associates and joint ventures accounted for using the equity method:

B 16/1

Earnings data and carrying amounts of companies accounted for using the equity method

	Associates		Joint ventures	
€ million	**2024**	**2025**	**2024**	**2025**
Total comprehensive income after income taxes	(954)	(763)	23	40
Share of income after income taxes[1]	**(143)**	**(45)**	**11**	**1**
Share of total comprehensive income after income taxes	(143)	(46)	11	1
Carrying amount as of December 31	**747**	**484**	**73**	**62**

[1] Also including gains from remeasurement of investments accounted for using the equity method due to the loss of significant influence and the fact that they then ceased being accounted for using the equity method

17. Other financial assets

The other financial assets were comprised as follows:

B 17/1

Other financial assets

	Dec. 31, 2024		Dec. 31, 2025	
€ million	**Total**	**Of which current**	**Total**	**Of which current**
AC[1]	270	75	268	36
FVTPL[1]	3,496	1,821	2,771	1,149
of which debt instruments	3,480	1,821	2,758	1,149
of which equity instruments	16	–	13	–
FVTOCI[1]	332	–	270	–
of which equity instruments (no recycling)	332	–	270	–
Receivables from derivatives	401	363	308	201
Receivables under lease agreements	27	7	39	5
Total	**4,526**	**2,266**	**3,656**	**1,391**

[1] Measurement categories in accordance with IFRS 9
AC: at amortized cost
FVTOCI: at fair value through other comprehensive income
FVTPL: at fair value through profit or loss

The AC category included €200 million (2024: €159 million) in interest-bearing securities. No material impairment losses were recognized for expected credit losses in 2025 or 2024.

The debt instruments in the FVTPL category included investments in money market funds totaling €966 million (2024: €1,675 million), as well as capital of €1,146 million (2024: €1,145 million) provided to Bayer-Pensionskasse VVaG (Bayer-Pensionskasse) for its effective initial fund, and jouissance right capital (Genussrechtskapital) of €154 million (2024: €152 million), also provided to Bayer-Pensionskasse. It also included capital of €62 million (2024: €63 million) provided to Rheinische Pensionskasse VVaG for its effective initial fund.

The equity instruments in the FVTPL category comprised the €11 million (2024: €12 million) interest in Century Therapeutics, Inc., United States, and the €2 million (2024: €4 million) interest in Pyxis Oncology Inc., United States.

The equity instruments in the FVTOCI category comprised the following investments:

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Equity instruments measured at fair value through other comprehensive income

Company name	Fair value as of Dec. 31, 2024	Fair value as of Dec. 31, 2025
Pivot Bio, Inc., USA	48	42
AMR Action Fund L.P., USA	45	40
Recursion Pharmaceuticals Inc., USA	42	22
Bayer Nigeria Ltd., Nigeria	16	16
Innovative Seed Solutions LLC, USA	12	11
Flagship Ventures Fund V, L.P., USA	13	10
Other investments	156	129
Total	**332**	**270**

We did not receive any material dividends in 2025 or 2024.

Further information on the accounting for receivables from derivatives is given in Note [27].

18. Inventories

Inventories were comprised as follows:

B 18/1

Inventories

€ million	Dec. 31, 2024	Dec. 31, 2025
Raw materials and supplies	2,081	2,073
Work in process, finished goods and goods purchased for resale	11,234	10,177
Rights of return	88	85
Advance payments	64	43
Total	**13,467**	**12,378**

Impairment losses recognized on inventories were reflected in the cost of goods sold. They were comprised as follows:

B 18/2

Impairments of inventories

€ million	2024	2025
Accumulated impairment losses, January 1	(105)	(120)
Impairment losses in the reporting period	(31)	(33)
Impairment loss reversals or utilization	15	19
Exchange differences	1	6
Accumulated impairment losses, December 31	**(120)**	**(128)**

The cost of goods sold included acquisition and production costs of inventories amounting to €15,052 million (2024: €15,400 million) that were recognized as expenses.

19. Trade accounts receivable

Trade accounts receivable less loss allowances amounted to €9,077 million (2024: €8,966 million) on the closing date and pertained to the following regions and countries:

B 19/1

Trade accounts receivable

€ million	2024	2025
North America	2,184	2,336
of which USA	2,010	2,173
Europe/Middle East/Africa	2,912	2,879
of which Germany	639	606
Asia/Pacific	1,582	1,409
Latin America	2,864	3,070
of which Brazil	1,294	1,506
Trade accounts receivable (before impairments)	**9,542**	**9,694**
Accumulated impairment losses	(576)	(617)
Carrying amount, December 31	8,966	9,077
of which noncurrent	127	181

Trade accounts receivable mainly comprise amounts outstanding from diverse customer groups and distribution channels (including distributors and retailers for all units of the company, pharmacies for Pharmaceuticals and Consumer Health, and farmers for Crop Science). These receivables expose the Bayer Group to a credit risk, though not to significant credit risk concentrations because the risk is spread among a large number of counterparties and customers. Receivables that were not individually impaired were classified as recoverable on the basis of established credit management processes and individual estimates of customer risks. The loss allowances recognized at the closing date contained appropriate risk provisions.

Noncurrent trade accounts receivable comprised receivables of €47 million (2024: €53 million) in connection with rights to use technologies outlicensed to a customer that were acquired through the acquisition of Monsanto.

The gross carrying amounts of trade accounts receivable were as follows:

B 19/2

Trade accounts receivable – gross carrying amounts

€ million	Trade accounts receivable for which lifetime expected credit losses are calculated (collectively assessed)	Trade accounts receivable that are credit-impaired	Total
Gross carrying amounts as of January 1, 2024	**8,671**	**742**	**9,413**
Changes resulting from trade accounts receivables recognized, derecognized or written off in the reporting period	(141)	(76)	(217)
Transfer to credit-impaired trade accounts receivable	(89)	89	–
Transfer from credit-impaired trade accounts receivable	9	(9)	–
Write-offs	–	(37)	(37)
Other changes:			
from exchange differences	(80)	(34)	(114)
Gross carrying amounts as of December 31, 2024	**8,370**	**675**	**9,045**
Changes resulting from trade accounts receivables recognized, derecognized or written off in the reporting period	541	91	632
Transfer to credit-impaired trade accounts receivable	(69)	69	–
Transfer from credit-impaired trade accounts receivable	15	(15)	–
Write-offs	–	(44)	(44)
Other changes:			
from exchange differences	(478)	(25)	(503)
Gross carrying amounts as of December 31, 2025	**8,379**	**751**	**9,130**

Only including receivables that are measured at amortized cost and at fair value through other comprehensive income

Loss allowances on trade accounts receivable were as follows:

B 19/3

Trade accounts receivable – loss allowances

€ million	Lifetime expected credit losses (collectively assessed)	Trade accounts receivable that are credit-impaired	Total
Loss allowances as of January 1, 2024	**65**	**577**	**642**
Changes resulting from loss allowances newly recognized or derecognized in the reporting period and additions/reductions to existing loss allowances	(5)	(3)	(8)
Transfer to loss allowances for credit-impaired trade accounts receivable	(1)	1	–
Transfer from loss allowances for credit-impaired trade accounts receivable	–	–	–
Changes due to write-offs	–	(37)	(37)
Other changes:			
from exchange differences	(2)	(19)	(21)
Loss allowances as of December 31, 2024	**57**	**519**	**576**
Changes resulting from loss allowances newly recognized or derecognized in the reporting period and additions/reductions to existing loss allowances	(6)	110	104
Transfer to loss allowances for credit-impaired trade accounts receivable	–	–	–
Write-offs	–	(44)	(44)
Other changes:			
from exchange differences	(2)	(17)	(19)
Loss allowances as of December 31, 2025	**49**	**568**	**617**

Only including receivables that are measured at amortized cost and at fair value through other comprehensive income

The expected loss rates were as follows:

B 19/4

Trade accounts receivables – expected loss rates

	Expected loss rates				Credit-impaired	2025 total
€ million	0 to 1%	> 1 to 5%	> 5 to 10%	> 10%		
Gross carrying amount	7,376	991	11	1	751	**9,130**
Loss allowance provision	28	20	1	–	568	**617**

Only including receivables that are measured at amortized cost and at fair value through other comprehensive income

B 19/5

Trade accounts receivables – expected loss rates (previous year)

	Expected loss rates				Credit-impaired	2024 total
€ million	0 to 1%	> 1 to 5%	> 5 to 10%	> 10%		
Gross carrying amount	7,285	994	52	39	675	**9,045**
Loss allowance provision	24	23	4	6	519	**576**

Only including receivables that are measured at amortized cost and at fair value through other comprehensive income

An excess-of-loss policy is in place for the Pharmaceuticals and Consumer Health segments as part of a global credit insurance program. More than 80% of the receivables of these segments are insured up to a maximum total annual compensation payment of €150 million (2024: €150 million). A global excess-of-loss policy is in place for the Crop Science segment. In this global credit insurance program, more than 80% of this segment's receivables are insured up to a maximum total annual compensation payment of €500 million (2024: €500 million).

A further €705 million (2024: €747 million) of receivables was secured by letters of credit or guarantees or by liens on land, buildings or harvest yields.

20. Other receivables

Other receivables were comprised as follows:

B 20/1

Other receivables

	Dec. 31, 2024		Dec. 31, 2025	
€ million	Total	Of which current	Total	Of which current
Other tax receivables	1,095	1,077	1,082	1,072
Deferred charges	352	317	322	283
Net defined benefit asset	1,146	–	1,139	–
Assets related to other long-term employee benefits	138	–	297	–
Company-owned life insurance ("COLI")	97	–	120	–
Receivables from employees	42	42	44	43
Reimbursement claims	16	16	13	13
Miscellaneous receivables	744	600	592	456
Total	**3,630**	**2,052**	**3,609**	**1,867**

Miscellaneous receivables contained other advance payments for services amounting to €89 million (2024: €92 million).

Other receivables are stated net of impairment losses of €1 million (2024: €2 million).

21. Equity

The individual equity components and the changes therein during 2024 and 2025 are shown in the Bayer Group Consolidated Statements of Changes in Equity.

Capital management

The foremost objectives of our financial management are to maintain business operations long term, help bring about a sustained increase in Bayer's value for the benefit of all stakeholders and to ensure the Group's creditworthiness and liquidity. The pursuit of these goals means reducing our cost of capital, optimizing our capital structure, improving our financing cash flow and effectively managing risk.

The Group's capital management is based on the debt indicators used by the rating agencies. These indicators, which vary in their design, represent the ratio of period earnings to debt. We have the ambition to reduce our financial debt considerably, to increase profit and cash flow and to improve our current investment grade ratings toward the "A" category. The contracted rating agencies assess Bayer as follows: S&P Global assigns a long-term rating of BBB and a short-term rating of A-2 with a negative outlook, Moody's a Baa2/P-2 with a negative outlook, and Fitch Ratings a BBB/F3 with a negative outlook. These investment grade ratings from all three agencies reflect the company's solid solvency profile and ensure access to a broad investor base for financing purposes.

In addition to utilizing cash inflows from our operational business to reduce net financial debt, we are implementing our financial strategy by way of vehicles such as subordinated hybrid bonds and a potential share buyback program. At the time these financial statements were prepared, however, it was not deemed likely that any such stock buyback program would be contemplated in the near future. Net financial debt comprises bonds, liabilities to banks, lease liabilities, liabilities from derivative financial instruments and other financial liabilities less receivables from derivative financial instruments, cash and cash equivalents as well as current financial assets.

Bayer is not subject to any minimum capital requirements from major financing measures at the Group level.

Capital stock and capital reserves

The capital stock of Bayer AG on December 31, 2025, amounted to €2,515 million (December 31, 2024: €2,515 million), divided into 982,424,082 (December 31, 2024: 982,424,082) registered no-par shares, and was fully paid in. Each no-par share confers one voting right.

B 21/1

Fully issued shares		
Number of shares	2024	2025
Total as of January 1	**982,424,082**	**982,424,082**
Shares purchased and reissued	–	–
Total as of December 31	**982,424,082**	**982,424,082**

Capital reserves contain premiums from the issuance of shares.

Accumulated comprehensive income

Accumulated comprehensive income comprises retained earnings and accumulated other comprehensive income. The retained earnings comprise prior years' undistributed income of consolidated companies and all remeasurements of the net defined benefit liability for pension or other post-employment benefits that are recognized outside profit or loss. The accumulated other comprehensive income comprises exchange rate effects recognized outside profit or loss that arise from the translation of the annual financial statements of subsidiaries outside the eurozone, the changes in fair values of equity instruments and cash flow hedges.

Dividend

Under the German Stock Corporation Act (AktG), the dividend payment is determined by the distributable profit reported in the financial statements of Bayer AG, which are prepared according to the German Commercial Code (HGB). Retained earnings were diminished by payment of the dividend of €0.11 per share for 2024. The proposed dividend for the 2025 fiscal year is €0.11 per share, which – based on the current number of shares – would result in a total dividend payment of €108 million. Payment of the proposed dividend is contingent upon approval by stockholders at the Annual Stockholders' Meeting and therefore is not recognized as a liability in the Consolidated Financial Statements.

Equity attributable to noncontrolling interest

The changes in noncontrolling interest in equity during 2024 and 2025 are shown in the following table:

B 21/2

Changes in noncontrolling interest in equity

€ million	2024	2025
January 1	**151**	**137**
Changes in equity not recognized in profit or loss		
Exchange differences on translation of operations outside the eurozone	3	(27)
Other changes in equity	–	–
Dividend payments	(23)	(19)
Income after income taxes	6	25
December 31	**137**	**116**

Noncontrolling interest mainly pertained to the following companies:

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Material noncontrolling interests

€ million	Bayer CropScience Limited, India		Bayer LLC Saudi Arabia, Saudi Arabia		Rede Agro Fidelidade e Intermediacao S.A., Brazil	
	2024	**2025**	**2024**	**2025**	**2024**	**2025**
Interest held in noncontrolling interests (%)	28.6%	28.6%	25.0%	25.0%	40.0%	40.0%
Share of voting rights in noncontrolling interests (%)	28.6%	28.6%	25.0%	25.0%	25.0%	25.0%
Equity attributable to noncontrolling interest	93	72	7	7	39	39
Dividends paid to noncontrolling interest	18	16	–	–	5	3
Noncurrent assets	292	255	4	5	12	17
Current assets	483	389	175	162	123	99
Noncurrent liabilities	20	20	3	3	12	10
Current liabilities	215	158	148	135	74	52
Sales	599	596	178	193	19	17
Income after income taxes	7	71	3	3	10	14
of which attributable to noncontrolling interest	2	20	1	1	3	4
Total comprehensive income	25	(20)	4	1	0	13
of which attributable to noncontrolling interest	7	(6)	1	0	0	3
Net cash provided by (used in) operating activities	78	86	(1)	28	14	(2)
Net cash provided by (used in) investing activities	(2)	(19)	3	(21)	2	5
Net cash provided by (used in) financing activities	(66)	(61)	4	(20)	(13)	(8)

22. Provisions for pensions and other post-employment benefits

Provisions were established for defined benefit obligations pertaining to pensions and other post-employment benefits. The net liability was accounted for as follows:

B 22/1

Net Defined Benefit Liability Reflected in the Statement of Financial Position

€ million	Pensions		Other post-employment benefits		Total	
	Dec. 31, 2024	**Dec. 31, 2025**	**Dec. 31, 2024**	**Dec. 31, 2025**	**Dec. 31, 2024**	**Dec. 31, 2025**
Provisions for pensions and other post-employment benefits (net liability)	**3,122**	**1,907**	**190**	**183**	**3,312**	**2,090**
of which Germany	2,396	1,337	–	–	2,396	1,337
of which other countries	726	570	190	183	916	753
Assets arising from overfunded pension plans (net asset)	**1,022**	**1,007**	**124**	**132**	**1,146**	**1,139**
of which Germany	182	259	–	–	182	259
of which other countries	840	748	124	132	964	880
Net defined benefit liability	**2,100**	**900**	**66**	**51**	**2,166**	**951**
of which Germany	2,214	1,078	–	–	2,214	1,078
of which other countries	(114)	(178)	66	51	(48)	(127)

The expenses for defined benefit plans for pensions and other post-employment benefits comprised the following components:

B 22/2

Expenses for defined benefit plans

	Pension plans						Other post-employment benefit plans	
	Germany		Other countries		Total		Other countries	
€ million	2024	2025	2024	2025	2024	2025	2024	2025
Current service cost	130	115	106	94	236	209	12	10
Past service cost	–	(6)	(32)	(13)	(32)	(19)	–	(1)
of which plan curtailments	–	(7)	(26)	(16)	(26)	(23)	(2)	–
Plan settlements	–	–	3	(5)	3	(5)	1	1
Plan administration cost paid out of plan assets	2	2	6	6	8	8	–	–
Net interest	95	69	13	(4)	108	65	8	6
Total	**227**	**180**	**96**	**78**	**323**	**258**	**21**	**16**

Net expenses of €30 million (2024: €15 million) for defined benefit plans were attributable to the implementation of the DSO operating model, comprising €54 million (2024: €42 million) in current service cost for pension entitlements that was offset by plan curtailments/settlements of €24 million (2024: minus €27 million).

In addition, a net gain of €1,100 million (2024: €453 million) from remeasurements of the net defined benefit liability was recognized outside profit or loss in 2025. Of this amount, €1,110 million (2024: €474 million) related to pension obligations, minus €1 million (2024: €6 million) to other post-employment benefit obligations and minus €9 million (2024: minus €27 million) to the effects of the asset ceiling, with asset surpluses not benefiting the company. Plan curtailments of €23 million were made in 2025 (2024: €26 million).

The net defined benefit liability developed as follows:

B 22/3

Changes in net defined benefit liability

€ million	Defined benefit obligation	Fair value of plan assets	Effects of the asset ceiling	Net defined benefit liability
Germany				
January 1, 2025	**(12,801)**	**10,759**	**(172)**	**(2,214)**
Acquisitions	–	–	–	–
Divestments/changes in the scope of consolidation	–	–	–	–
Current service cost	(115)			(115)
Past service cost	6			6
Net interest	(460)	397	(6)	(69)
Net actuarial gain/(loss)	927			927
of which due to changes in financial parameters	896			896
of which due to changes in demographic parameters	–			–
of which experience adjustments	31			31
Return on plan assets excluding amounts recognized as interest income		162		162
Remeasurement of asset ceiling			(11)	(11)
Employer contributions[1]		(233)		(233)
Employee contributions	(63)	28		(35)
Benefits paid out of plan assets	186	(186)		–
Benefits paid by the company	506			506
Plan administration cost paid from plan assets		(2)		(2)
December 31, 2025	**(11,814)**	**10,925**	**(189)**	**(1,078)**
Other countries				
January 1, 2025	**(6,873)**	**6,941**	**(20)**	**48**
Acquisitions	–	–	–	–
Divestments/changes in the scope of consolidation	–	–	–	–
Current service cost	(104)			(104)
Past service cost	14			14
Gains/(losses) from plan settlements	4			4
Net interest	(309)	309	(2)	(2)
Net actuarial gain/(loss)	(79)			(79)
of which due to changes in financial parameters	(15)			(15)
of which due to changes in demographic parameters	(28)			(28)
of which due to experience adjustments	(36)			(36)
Return on plan assets excluding amounts recognized as interest income		99		99
Remeasurement of asset ceiling			2	2
Employer contributions		49		49
Employee contributions	(22)	22		–
Payments due to plan settlements	57	(57)		–
Benefits paid out of plan assets	385	(385)		–
Benefits paid by the company	128			128
Plan administration costs paid out of plan assets		(6)		(6)
Exchange differences	503	(529)	–	(26)
December 31, 2025	**(6,296)**	**6,443**	**(20)**	**127**
of which other post-employment benefits	(483)	432	–	(51)
Total, December 31, 2025	**(18,110)**	**17,368**	**(209)**	**(951)**

[1] Including reimbursement of pension payments made in 2025

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Changes in net defined benefit liability (previous year)

€ million	Defined benefit obligation	Fair value of plan assets	Effects of the asset ceiling	Net defined benefit liability
Germany				
January 1, 2024	**(12,820)**	**9,934**	**(135)**	**(3,021)**
Acquisitions	–	–	–	–
Divestments/changes in the scope of consolidation	–	–	–	–
Current service cost	(130)			(130)
Past service cost	–			–
Net interest	(474)	384	(5)	(95)
Net actuarial gain/(loss)	27			27
of which due to changes in financial parameters	(69)			(69)
of which due to changes in demographic parameters	–			–
of which experience adjustments	96			96
Return on plan assets excluding amounts recognized as interest income		204		204
Remeasurement of asset ceiling			(32)	(32)
Employer contributions		392		392
Employee contributions	(65)	29		(36)
Benefits paid out of plan assets	182	(182)		–
Benefits paid by the company	479			479
Plan administration cost paid from plan assets		(2)		(2)
December 31, 2024	**(12,801)**	**10,759**	**(172)**	**(2,214)**
Other countries				
January 1, 2024	**(7,117)**	**6,840**	**(28)**	**(305)**
Acquisitions	–	–	–	–
Divestments/changes in the scope of consolidation	1	(1)	–	–
Current service cost	(118)			(118)
Past service cost	32			32
Gains/(losses) from plan settlements	(4)			(4)
Net interest	(315)	296	(2)	(21)
Net actuarial gain/(loss)	344			344
of which due to changes in financial parameters	359			359
of which due to changes in demographic parameters	(9)			(9)
of which due to experience adjustments	(6)			(6)
Return on plan assets excluding amounts recognized as interest income		(95)		(95)
Remeasurement of asset ceiling			5	5
Employer contributions		50		50
Employee contributions	(23)	23		–
Payments due to plan settlements	33	(33)		–
Benefits paid out of plan assets	383	(383)		–
Benefits paid by the company	137			137
Plan administration costs paid out of plan assets		(6)		(6)
Exchange differences	(226)	250	5	29
December 31, 2024	**(6,873)**	**6,941**	**(20)**	**48**
of which other post-employment benefits	(538)	472	–	(66)
Total, December 31, 2024	**(19,674)**	**17,700**	**(192)**	**(2,166)**

The benefit obligations pertained mainly to Germany (65%; 2024: 65%), the United States (18%; 2024: 19%) and the United Kingdom (6%; 2024: 6%). In Germany, current employees accounted for about 20% (2024: 26%), retirees or their surviving dependents for about 69% (2024: 65%) and former employees with vested pension rights for about 11% (2024: 9%) of entitlements under defined benefit plans. In the United States, current employees accounted for about 21% (2024: 24%), retirees or their surviving dependents for about 60% (2024: 61%) and former employees with vested pension rights for about 19% (2024: 15%) of entitlements under defined benefit plans.

The actual returns on the assets of defined benefit plans for pensions and for other post-employment benefits amounted to €935 million (2024: €776 million) and €32 million (2024: €13 million), respectively.

The following table shows the defined benefit obligations for pensions and other post-employment benefits along with the funded status of the funded obligations.

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Defined benefit obligation and funded status

	Pension obligation		Other post-employment benefit obligation		Total	
€ million	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**
Defined benefit obligation	**19,136**	**17,627**	**538**	**483**	**19,674**	**18,110**
of which unfunded	641	548	184	175	825	723
of which funded	18,495	17,079	354	308	18,849	17,387
Funded status of funded obligations						
Overfunding	1,213	1,255	124	131	1,337	1,386
Underfunding	2,480	1,398	6	7	2,486	1,405

Pension and other post-employment benefit obligations

Group companies provide retirement benefits for most of their employees, either directly or by contributing to privately or publicly administered funds. The benefits vary depending on the legal, fiscal and economic conditions of each country. A substantial part of the pension entitlements consists of defined contribution obligations, where the minimum benefit amount is based directly on the contribution level. The obligations relate both to existing retirees' pensions and to pension entitlements of future retirees.

Bayer has set up funded pension plans for its employees in various countries. The most appropriate investment strategy is determined for each defined benefit pension plan based on the risk structure of the obligations (especially demographics, the current funded status, the structure of the expected future cash flows, interest sensitivity, biometric risks, etc.), the regulatory environment and the existing level of risk tolerance or risk capacity. A strategic target investment portfolio is then developed in line with the plan's risk structure, taking capital market factors into consideration. Further determinants are risk diversification, portfolio efficiency and the need for both a country-specific and a global risk/return profile centered on ensuring the payment of all future benefits. As the capital investment strategy for each pension plan is developed individually in light of the plan-specific conditions listed above, the investment strategies for different pension plans may vary considerably. The investment strategies are generally aligned less toward maximizing absolute returns and more toward the maximum probability of being able to finance pension commitments over the long term. For pension plans, stress scenarios are simulated and other risk analyses (such as value at risk) are undertaken with the aid of risk management systems.

Bayer-Pensionskasse VVaG, Germany (Bayer-Pensionskasse), is one of the most significant post-employment benefit plans. It has been closed to new members since 2005. This legally independent fund is regarded as a life insurance company and is therefore subject to the German Insurance Supervision Act (VAG). The benefit obligations covered by Bayer-Pensionskasse comprise retirement, surviving dependents' and disability pensions. It constitutes a defined-benefit, multi-employer plan, to which the active members and their employers contribute. The company contribution is a certain percentage of the employee contribution. This percentage is the same for all participating employers, including those outside the Bayer Group, and is set by agreement between the plan's executive committee and its supervisory board, acting on a proposal from the responsible actuary. It takes into account the differences between the actuarial estimates and the actual values for the factors used to determine liabilities and contributions. Bayer may also adjust the company contribution in agreement with the plan's executive committee and its supervisory board, acting on a proposal from the responsible actuary. The plan's liability is governed by Section 1, Paragraph 1, Sentence 3 of the German Law on the Improvement of Occupational Pensions (BetrAVG). This means that if the pension plan exercises its right under the articles of association to reduce benefits, each participating employer has to make up the resulting difference. Bayer is not liable for the obligations of participating employers outside the Bayer Group, even if they cease to participate in the plan.

Pension entitlements for people who joined Bayer in Germany in 2005 or later are granted via Rheinische Pensionskasse VVaG, Germany. Future pension payments from this defined-benefit, multi-employer plan are based on contributions and the return on plan assets; a guaranteed interest rate applies. All of the German Insurance Supervision Act (VAG) regulations and the German Law on the Improvement of Occupational Pensions (BetrAVG) provisions described in the section above on Bayer-Pensionskasse apply analogously to Rheinische Pensionskasse.

Another important financing vehicle is Bayer Pension Trust e. V. (BPT), Germany. This covers further retirement provision arrangements of the Bayer Group, such as deferred compensation, pension obligations previously administered by Schering Altersversorgung Treuhand e. V., Germany, and components of other direct commitments.

The defined benefit pension plans in the United States are frozen, and no significant new entitlements can be earned under these plans. The assets of all the US pension plans are held by a master trust for reasons of efficiency. The applicable regulatory framework is based on the Employee Retirement Income Security Act (ERISA), which includes a statutory 80% minimum funding requirement to avoid benefit restrictions. The actuarial risks, such as investment risk, interest-rate risk and longevity risk, remain with the company.

The defined benefit pension plans in the United Kingdom have been closed to new members for some years. Plan assets in the UK are administered by independent trustees, who are legally obligated to act solely in the interests of the beneficiaries. A technical assessment is performed every three years in line with UK regulations. This serves as the basis for developing a plan to cover any potential financing requirements. Here, too, the actuarial risks remain with the company.

The other post-employment benefit obligations outside Germany mainly comprised healthcare benefit payments for retirees in the United States.

The fair value of the plan assets to cover pension and other post-employment benefit obligations was as follows:

B 22/6

Fair value of plan assets as of December 31

	Pension obligations				Other post-employment obligations	
	Germany		Other countries		Other countries	
€ million	2024	2025	2024	2025	2024	2025
Plan assets based on quoted prices in active markets						
Real estate and special real estate funds	–	–	317	309	11	7
Equities and equity funds	2,923	2,844	803	822	55	52
Callable debt instruments	–	–	73	66	1	1
Noncallable debt instruments	–	–	2,999	2,689	380	348
Bond funds	3,854	4,424	1,012	1,245	–	–
Derivatives	–	–	6	7	–	–
Cash and cash equivalents	959	639	424	156	4	4
Other	–	–	11	3	–	–
	7,736	**7,907**	**5,645**	**5,297**	**451**	**412**
Plan assets for which quoted prices in active markets are not available						
Real estate and special real estate funds	586	612	43	21	–	–
Equities and equity funds	390	412	74	66	–	–
Callable debt instruments	1,062	1,079	–	–	–	–
Noncallable debt instruments	805	735	–	–	–	–
Bond funds	–	–	100	90	–	–
Derivatives	–	–	–	–	–	–
Cash and cash equivalents	–	–	–	–	–	–
Other	180	180	607	537	21	20
	3,023	**3,018**	**824**	**714**	**21**	**20**
Total plan assets	**10,759**	**10,925**	**6,469**	**6,011**	**472**	**432**

Plan assets included assets with a carrying amount of €3,752 million (2024: €3,868 million) whose fair values are not determined based on quoted prices in active markets.

The plan assets in Germany included real estate leased by Group companies, recognized at a fair value of €63 million (2024: €72 million), as well as Bayer AG shares and bonds issued by Bayer AG and other Bayer finance companies that are held through investment funds, recognized at their fair values of €11 million (2024: €5 million) and €5 million (2024: €6 million), respectively.

The other plan assets comprised mortgage loans granted, other receivables and qualified insurance policies.

Risks

The risks from defined benefit plans arise partly from the defined benefit obligations and partly from the investment in plan assets. These risks include the possibility that additional contributions will have to be made to plan assets in order to meet current and future pension obligations, and negative effects on provisions and equity.

Demographic/biometric risks

Since a large proportion of the defined benefit obligations comprises lifelong pensions or surviving dependents' pensions, longer claim periods or earlier claims may result in higher benefit obligations, higher benefit expense and/or higher pension payments than previously anticipated.

Investment risks

If the actual return on plan assets were below the return anticipated on the basis of the discount rate, the funded status of defined benefit plans would decrease, assuming there were no changes in other parameters. This could happen as a result of a drop in share prices, increases in market rates of interest for certain bonds, default of individual debtors or the purchase of low-risk but low-interest bonds, for example.

Interest-rate risk

A decline in capital market interest rates, especially for high-quality corporate bonds, would increase the defined benefit obligation. This effect would be at least partially offset by the ensuing increase in the market values of the corresponding debt instruments held.

Measurement parameters and their sensitivities

The following weighted parameters were used to measure the obligations for pensions and other post-employment benefits as of December 31 of the respective year:

B 22/7

Parameters for benefit obligations

	Germany		Other countries		Total	
%	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**
Pension obligations						
Discount rate	3.70	4.30	4.80	4.70	4.05	4.45
of which USA			5.50	5.30	5.50	5.30
of which UK			5.45	5.25	5.45	5.25
Projected future salary increases	2.50	2.50	3.35	3.15	2.80	2.70
Projected future benefit increases	2.00	2.00	3.10	3.00	2.35	2.30
Other post-employment benefit obligations						
Discount rate	–	–	6.05	6.15	6.05	6.15

The Heubeck RT 2018 G mortality tables were used in Germany, the Pri-2012 mortality tables with Mortality Improvement Scale MP-2021 in the United States, and 101% of S3NMA and 102% of S3NFA in the United Kingdom.

The parameter sensitivities were computed by expert actuaries based on a detailed evaluation similar to that performed to obtain the data presented in Table B 22/3. Altering individual parameters by 0.5 percentage points or mortality by 10% per beneficiary while leaving the other parameters unchanged would have impacted pension and other post-employment benefit obligations as of year-end 2025 as follows:

B 22/8

Sensitivity of benefit obligations

	Germany		Other countries		Total	
€ million	**Increase**	**Decrease**	**Increase**	**Decrease**	**Increase**	**Decrease**
Pension obligations						
0.5%-pt. change in discount rate	(665)	738	(269)	294	(934)	1,032
0.5%-pt. change in projected future salary increases	7	(7)	36	(34)	43	(41)
0.5%-pt. change in projected future benefit increases	446	(414)	76	(33)	522	(447)
10% change in mortality	(598)	572	(126)	134	(724)	706
Other post-employment benefit obligations						
0.5%-pt. change in discount rate	–	–	(18)	19	(18)	19
10% change in mortality	–	–	(11)	13	(11)	13

B 22/9

Sensitivity of benefit obligations (previous year)

	Germany		Other countries		Total	
€ million	**Increase**	**Decrease**	**Increase**	**Decrease**	**Increase**	**Decrease**
Pension obligations						
0.5%-pt. change in discount rate	(771)	860	(289)	316	(1,060)	1,176
0.5%-pt. change in projected future salary increases	11	(11)	41	(38)	52	(49)
0.5 %-pt. change in projected future benefit increases	484	(445)	77	(38)	561	(483)
10% change in mortality	(669)	645	(136)	140	(805)	785
Other post-employment benefit obligations						
0.5%-pt. change in discount rate	–	–	(20)	22	(20)	22
10% change in mortality	–	–	(12)	14	(12)	14

Provisions are also established for the obligations, mainly of US subsidiaries, to provide post-employment benefits in the form of healthcare cost payments for retirees. The valuation of healthcare costs was based on the assumption that they will increase at a rate of 7.5% (2024: 6.5%). It was assumed that this rate of increase will gradually decline to 5.0% (2024: 5.0%) by 2035 (2024: by 2031).

The following table shows the impact on other post-employment benefit obligations and total benefit expense of a one-percentage-point change in the assumed cost increase rates:

B 22/10

Sensitivity to healthcare cost increases

	Increase of 1% pt.		Decrease of 1% pt.	
€ million	**2024**	**2025**	**2024**	**2025**
Impact on other post-employment benefit obligations	25	22	(23)	(20)
Impact on benefit expense	2	2	(1)	(1)

Payments made and expected future payments

The following payments or asset contributions correspond to the employer contributions made or expected to be made to funded benefit plans:

B 22/11

Employer contributions paid or expected

	Germany			Other countries		
€ million	**2024**	**2025**	**2026 expected**	**2024**	**2025**	**2026 expected**
Pension obligations	392	(233)	82	65	61	47
Other post-employment benefit obligations	–	–	–	(15)	(12)	3
Total	**392**	**(233)**	**82**	**50**	**49**	**50**

In 2025, Bayer was again not required to make any deficit contributions for its UK pension plans. For its US pension plans, Bayer also did not make any deficit contributions in 2025 or in 2024 and expects to make zero or only very low regular payments in 2026 as most of these plans are closed and frozen.

Pensions and other post-employment benefits payable in the future from funded and unfunded plans are estimated as follows:

B 22/12

Future benefit payments

	Payments out of plan assets				Payments by the company			
	Pensions		Other post-employment benefits		Pensions		Other post-employment benefits	
€ million	**Germany**	**Other countries**	**Other countries**	**Total**	**Germany**	**Other countries**	**Other countries**	**Total**
2026	195	428	21	644	542	101	26	669
2027	196	375	20	591	541	97	24	662
2028	195	375	21	591	540	99	24	663
2029	195	386	20	601	541	100	25	666
2030	195	381	20	596	538	102	25	665
2031–2035	974	1,867	95	2,936	2,484	540	128	3,152

The weighted average term of the pension obligations is 12.8 years (2024: 14.2 years) in Germany and 11.0 years (2024: 10.9 years) in other countries. The weighted average term of the obligations for other post-employment benefits in other countries is 8.1 years (2024: 8.6 years).

23. Other provisions

Changes in the various provision categories in 2025 were as follows:

B 23/1

Changes in other provisions

€ million	Other taxes	Environmental protection	Restructuring	Trade-related commitments	Litigations	Personnel commitments	Miscellaneous	Total
January 1, 2025	**45**	**722**	**708**	**249**	**6,509**	**2,282**	**689**	**11,204**
Additions	37	43	431	306	7,361	3,148	448	11,774
Utilization	(6)	(45)	(647)	(264)	(2,659)	(2,041)	(363)	(6,025)
Reversal	(1)	(7)	(75)	(5)	(38)	(397)	(92)	(615)
Interest cost	–	28	4	–	431	13	6	482
Exchange differences	(2)	(79)	(2)	(14)	(793)	(127)	(15)	(1,032)
December 31, 2025	**73**	**662**	**419**	**273**	**10,811**	**2,879**	**675**	**15,792**
of which current	17	88	109	257	4,062	2,049	234	6,816

The provisions were partly offset by reimbursement claims in the amount of €7 million (2024: €11 million), which were recognized as receivables. These reimbursement claims primarily related to product liability. In 2025, the utilization of provisions for litigations contained a reclassification to other liabilities totaling €978 million.

Environmental protection

Provisions for environmental protection are mainly established for the expected costs of ensuring compliance with environmental regulations, remediation work on contaminated land, recultivation of landfills, and redevelopment and water protection measures.

Restructuring

Provisions for restructuring only cover expenses that arise directly from restructuring measures, are necessary for restructuring and are not related to future business operations. Such expenses include severance payments to employees and compensation payments in respect of rented property that is no longer used.

Restructuring measures may include the sale or termination of business units, site closures, relocations of business activities or fundamental reorganizations of business units.

Provisions for restructuring included €406 million (2024: €696 million) for severance payments and €13 million (2024: €12 million) for other restructuring expenses. The breakdown of provisions by segment was as follows: €174 million (2024: €161 million) at Crop Science, €151 million (2024: €288 million) at Pharmaceuticals, €18 million (2024: €37 million) at Consumer Health and €76 million (2024: €222 million) in Enabling Functions/All Other Segments.

In 2023, Bayer announced the introduction of a new operating model for the entire Group. The aim of the new system, which is called Dynamic Shared Ownership (DSO), is to ensure we adopt an even stronger orientation toward customer needs and deploy resources more efficiently. Further provisions were established in subsequent years based on the development of detailed formal plans for the planned measures and the communication thereof to the affected employees.

In conjunction with the publication of the financial results for the first quarter of 2025, Crop Science shared details with investors on the launch of the "Five-Year Framework" program aimed at strengthening the segment's financial profile and the resilience of its business, as well as leveraging further growth potential in the agrochemical market through innovations.

At Crop Science, the increase in provisions for restructuring related to additions for the launch of the "Five-Year Framework" program and for the ongoing DSO program. This was partly offset by effects related to provisions for severance payments resulting from organizational restructuring measures being reclassified to liabilities to employees. The decline in provisions at Pharmaceuticals, Consumer Health and Enabling Functions/All Other Segments was also due to the aforementioned reclassification effect.

Trade-related provisions

Trade-related provisions are recorded mainly for obligations related to services performed but not yet invoiced and to sales commissions not recognized under trade accounts payable.

Litigations

The legal risks currently considered to be material, and their development, are described in Note [30].

Personnel-related provisions

Personnel-related provisions include those for variable, performance-related one-time payments to employees, stock-based payments, and payments related to long-service anniversaries, early retirement programs and pre-retirement part-time working arrangements. Provisions for severance payments resulting from restructuring are reflected in provisions for restructuring.

Stock-based programs

Bayer offers the stock-based programs Aspire 3.0, Aspire Global Plan, LTI Board Plan and BayShare collectively to different groups of employees. The Aspire 3.0, Aspire Global Plan and LTI Board Plan programs are accounted for in accordance with the requirements of IFRS 2 concerning cash-settled share-based payment transactions. By contrast, the BayShare stock-based participation program is accounted for in line with the requirements of IFRS 2 concerning equity-settled share-based payment transactions. Provisions are established for all awards to be made under the Aspire 3.0, Aspire Global Plan and LTI Board Plan programs. The provisions are recognized in the amount of the fair value of the obligations existing as of the date of the financial statements. All resulting changes in value are recognized in profit or loss. Detailed information on stock-based compensation can be found in the Compensation Report (www.bayer.com/cpr).

The following table shows the changes in the provisions established for Aspire 3.0, Aspire Global Plan and LTI Board Plan:

B 23/2

Changes in provisions

€ million	Stock-based programs
January 1, 2025	**230**
Additions	607
Utilization	(59)
Reversal	(170)
Exchange differences	(28)
December 31, 2025	**580**

The value of the Aspire 3.0 program that was fully earned as of year-end 2025 and will be paid out by April 2026 based on target attainment of 28% amounts to €62 million (2024: €55 million).

The net expense for all stock-based compensation programs was €440 million (2024: net gain of €58 million) and included expenses of €3 million (2024: €3 million) for the BayShare stock participation program. The development in 2025 was primarily due to the performance of Bayer stock. The decline in 2024 was primarily due to the development of the underlying parameters to determine the fair value of liabilities, such as Bayer's share price and ROCE. For information on the hedging of stock-based compensation for our employees and the resulting additional effects on the income statement, see Note [27.3].

Long-term incentive program Aspire 3.0
The annual tranches of Aspire 3.0 are granted over a four-year term in the form of virtual shares. This program is also based on a percentage of each employee's annual base salary (the so-called LTI target amount), the percentage varying according to their position. The number of virtual shares is determined by dividing the LTI target amount by the price of Bayer shares at the beginning of the program. However, the individual STI payout factor is not taken into consideration when calculating the number of virtual shares.

The fair value of the obligations is determined from the price of Bayer stock and the dividends already paid. There is also an additional performance factor to be taken into account that comprises three weighted performance components: relative capital market performance (40%), return on investment (40%) and sustainability (20%). The final LTI payout is determined by multiplying the number of virtual shares by the Bayer share price at the end of the performance period and the performance factor mentioned above, and then adding an amount equivalent to the dividends paid during the performance period. The maximum payout is 250% of the LTI target amount. Detailed information on the stock-based compensation of the Board of Management and the three performance components mentioned above can be found in the Compensation Report (www.bayer.com/cpr).

Long-term incentive program LTI Board Plan (from the 2024 tranche)
Detailed information on the stock-based compensation of the Board of Management and the three performance components mentioned above can be found in the Compensation Report (www.bayer.com/cpr).

The compensation program LTI Board Plan was introduced for the Board of Management of the Bayer Group at the beginning of 2024. Members of the Board of Management are eligible to participate in the annual tranches of the four-year, share-based LTI provided that they purchase an individually determined number of Bayer shares as a personal investment and hold them for a specified period of time.

The LTI target amount is divided by the fair value of the conditionally granted virtual Bayer share at the beginning of the program to determine the conditional number of virtual shares. The final number of virtual shares is determined by multiplying the total target attainment by the provisional number of virtual shares. Overall target attainment is capped at 200% and comprises two weighted performance components: relative capital market performance (80%) and sustainability (20%). Depending on how well the company performs, the target attainment levels for the two performance criteria may vary between 0% and 200%. Overall target attainment of 0% results in an LTI payout of zero.

The payout is calculated by multiplying the final number of virtual shares by the sum of the arithmetic mean of the XETRA closing prices for Bayer stock on the 30 stock exchange trading days immediately preceding the end of the performance period and the total dividend equivalents paid over the four-year performance period. The dividend equivalent renders the Board of Management "dividend-neutral," with no financial incentive to keep dividends low. The payout is capped at 250% of the LTI target amount.

Long-term incentive program Aspire Global Plan (from the 2024 tranche)

The Aspire Global Plan (from the 2024 tranche) is a long-term Bayer incentive program with a term of three years. The Aspire Global Plan is also based on a percentage of each employee's annual base salary (the so-called LTI target amount), the percentage varying according to their position. The number of virtual shares is determined by dividing the LTI target amount by the price of Bayer shares at the beginning of the program.

The value of the virtual shares is determined by multiplying the number of virtual shares by the sum of the price of Bayer shares at the end of the program and the amount equivalent to the dividends paid during the performance period. The value of the virtual shares has a weighting of 80% in the final LTI payout, while the remaining 20% is based on target attainment for the ESG performance component.

BayShare 2025

All management levels and nonmanagerial employees in Germany are offered a stock participation program known as BayShare, under which Bayer subsidizes their personal investments in the company's stock. On November 13, 2025, approximately 479,000 Bayer AG shares (2024: 780,000 shares) were purchased at a price of €29.55 per share (2024: €20.44 per share) for this purpose in accordance with Section 71, Paragraph 1, No. 8 of the German Stock Corporation Act (AktG). These shares corresponded to €1.2 million (2024: €2.0 million), or 0.05% (2024: 0.08%), of the capital stock. At the time of purchase, the value of the shares was €14 million (2024: €16 million). The shares were deposited in employees' securities accounts in late 2025, meaning that Bayer AG did not hold any own shares as of December 31, 2025.

The discount granted under this program in 2025 was 20% (2024: 20%) of the subscription amount. Employees stated a fixed amount that they wished to invest in shares. The maximum subscription amount in Germany was set at €2,500 (2024: €2,500) or €5,000 (2024: €5,000), depending on the employee's position. The shares purchased must be retained until December 31, 2026.

Miscellaneous

Miscellaneous provisions include those for interest payments on income taxes and on other taxes, for other liabilities, except where these are allocable to other provision categories, and for decommissioning and similar obligations.

A sensitivity analysis undertaken for certain provisions that examined the impact of a five-percentage-point change in the probabilities of occurrence in each case did not produce any material deviations from the amount of provisions established.

24. Financial liabilities

Financial liabilities were comprised as follows:

B 24/1

Financial liabilities

	Dec. 31, 2024		Dec. 31, 2025	
€ million	Total	Of which current	Total	Of which current
Bonds and notes	38,226	4,196	33,310	3,592
Liabilities to banks	1,223	701	1,857	796
Lease liabilities	1,248	309	1,286	259
Liabilities from derivatives	67	67	137	116
Other financial liabilities	47	40	989	983
Total	**40,811**	**5,313**	**37,579**	**5,746**

A breakdown of financial liabilities by contractual maturity is given below:

B 24/2

Maturities of financial liabilities

€ million	Dec. 31, 2024	€ million	Dec. 31, 2025
2025	5,313	2026	5,746
2026	4,223	2027	2,279
2027	1,776	2028	3,886
2028	3,872	2029	4,266
2029	4,336	2030	2,954
2030 or later	21,291	2031 or later	18,448
Total	**40,811**	**Total**	**37,579**

The Bayer Group has issued the following bonds and notes:

B 24/3

Bonds and notes

	Nominal volume as of Dec. 31, 2024	Carrying amount as of Dec. 31, 2024 (€ million)	Nominal volume as of Dec. 31, 2025	Carrying amount as of Dec. 31, 2025 (€ million)
Hybrid bonds[1]				
Hybrid bond 2019/2025[2]/2079	EUR 83 million	83	–	–
Hybrid bond 2019/2027[2]/2079	EUR 750 million	749	EUR 750 million	749
Hybrid bond 2022/2027[2]/2082	EUR 500 million	497	EUR 500 million	498
Hybrid bond 2022/2030[2]/2082	EUR 800 million	793	EUR 800 million	794
Hybrid bond 2023/2028[2]/2083	EUR 750 million	744	EUR 750 million	745
Hybrid bond 2023/2031[2]/2083	EUR 1,000 million	989	EUR 1,000 million	990
Hybrid bond 2024/2029[2]/2054	EUR 750 million	745	EUR 750 million	746
USD bonds[1]				
Maturity < 1 year	USD 3,114 million	2,996	USD 1,000 million	850
Maturity > 1 year < 5 years	USD 5,850 million	5,611	USD 6,100 million	5,172
Maturity > 5 years	USD 10,700 million	10,065	USD 9,450 million	7,850
EUR bonds[1]				
Maturity < 1 year	EUR 1,200 million	1,200	EUR 2,500 million	2,499
Maturity > 1 year < 5 years[3]	EUR 7,250 million	7,229	EUR 6,650 million	6,634
Maturity > 5 years	EUR 6,300 million	6,263	EUR 4,800 million	4,768
CNY bonds[4]				
Maturity < 1 year	–	–	CNY 2,000 million	243
Maturity > 1 year < 5 years	CNY 2,000 million	262	CNY 4,000 million	488
CHF bonds[4]				
Maturity > 1 year < 5 years	–	–	CHF 140 million	150
Maturity > 5 years	–	–	CHF 125 million	134
Total		**38,226**		**33,310**

[1] The bonds are issued in the functional currency of the issuing entity and mostly have a fixed coupon.
[2] Date of first option to redeem the bond early at par
[3] Bonds with a nominal volume of €400 million have variable rates of interest.
[4] The bonds were issued by Bayer AG in foreign currency and have a fixed coupon.

Hybrid bonds

The hybrid bonds issued by Bayer AG are subordinated, and 50% of their amount is treated as equity by three contracted rating agencies. They therefore have a more limited effect on the Group's rating-specific debt indicators than senior borrowings.

In 2025, Bayer AG redeemed hybrid bonds with a volume of €83 million, maturing in 2079 (callable on February 12, 2025).

In 2024, Bayer AG issued new hybrid bonds in the amount of €750 million with a maturity of 30 years (callable on September 13, 2029) and a coupon of 5.50%. The proceeds were partially used to finance the repurchase of hybrid bonds in the amount of €328 million maturing in 2079 (callable on February 12, 2025) before the first call date. Bayer AG also repurchased hybrid bonds in the amount of €700 million maturing in 2074 (callable on July 1, 2024) before the first call date.

Other bonds

In 2025, Bayer AG issued additional bonds on the Chinese capital market. One issuance had a volume of CNY 2 billion (€264 million), a maturity of three years and a coupon of 2.4%. In addition, two bonds with a volume of CNY 1 billion (€119 million) each, as well as maturities of three and five years and coupons of 2.0% and 2.2%, respectively, were issued. Furthermore, Bayer AG issued a floating rate note in the amount of €400 million with a maturity of two years. The floating rate was set at three-month Euribor plus 57 basis points. In addition, Bayer AG issued two bonds on the Swiss capital market. The bonds amounting to CHF 140 million (€149 million) and CHF 125 million (€133 million) have maturities of five and nine years and fixed coupons of 1.1% and 1.7%, respectively.

In addition, bonds with volumes of US$3.1 billion (€2.7 billion) and €1.2 billion were redeemed at maturity in 2025.

In 2024, Bayer AG placed its first-ever bond on the Chinese capital market. Known as a Panda bond, the issuance had a volume of CNY 2 billion (€256 million), a maturity of two years and a coupon of 2.2%.

In addition, three bonds with a total volume of US$2.5 billion (€2.3 billion) and one bond with a volume of €1.5 billion were redeemed at maturity in 2024.

Liabilities to banks

Liabilities to banks increased by €634 million in 2025.

Lease liabilities

Further information on lease liabilities is given in Note [28].

Other financial liabilities

Other financial liabilities included commercial paper in the amount of €938 million as of December 31, 2025 (December 31, 2024: €0 million).

Other information

A total of €6.5 billion in undrawn credit facilities remained available to the Bayer Group as of December 31, 2025 (December 31, 2024: €5.5 billion).

The bonds and liabilities to banks are subject to the customary qualitative covenants such as insolvency, change of control, merger events and negative pledge. The classification of liabilities as current or noncurrent takes into account covenants that Bayer must meet at or prior to the end of the reporting period. Bayer met all relevant covenants in 2025 and 2024.

A 30-year bond with a nominal volume of US$350 million and a carrying amount of €301 million as of December 31, 2025 (December 31, 2024: €342 million) that was issued by Bayer Corporation, United States, in 1998, and guaranteed by Bayer AG contains a financial covenant obligating the issuing entity to maintain consolidated material net assets of at least US$1. This covenant, which is not included in any other bond issued by Bayer, is tested quarterly. Bayer met the relevant covenant in 2025 and 2024.

A loan agreement concluded by Bayer S.A., Argentina, in 2024 totaling ARS 120 billion contains various qualitative covenants and a material financial covenant stating that the equity of Bayer S.A. must not amount to less than ARS 100 billion in 2025 and ARS 90 billion in the subsequent years until all payment obligations are met. A guaranteed minimum level of equity is legally required according to the credit risk regulations of the Argentinian central bank. According to the agreement, repayment of the liabilities takes place in installments over a period of three years. The carrying amount of the liability as of December 31, 2025, was ARS 107 billion (€63 million). Should the covenant be breached, an appropriate tolerance period is granted during which Bayer can again meet the condition through a capital increase. Bayer met the relevant condition for 2025.

Further information on the accounting for liabilities from derivatives is given in Note [27].

25. Trade accounts payable

Trade accounts payable comprised €7,019 million (2024: €7,485 million) due within one year and €62 million (2024: €33 million) due after one year.

This figure included trade accounts payable of €271 million (2024: €227 million) that Bayer will pay to the bank when due in connection with a supply chain financing program. Of this amount, €181 million (2024: €178 million) has already been paid out to suppliers by the bank.

The range of payment terms by supplier in the individual regions amounts to (in days after invoicing):

B 25/1

Range of payment terms by supplier in each region

Number of days	Liabilities that are subject of supply chain financing agreements	Liabilities that are not subject of supply chain financing agreements
North America	30 to 120	30 to 120
Europe/Middle East/Africa	60 to 120	30 to 120
Asia/Pacific	90 to 150	30 to 120
Latin America	60 to 90	30 to 120

The relatively large ranges among the liabilities that are not the subject of supply chain financing arrangements are due to the broad range of payment terms in the respective regions. On a volume-weighted basis, these are virtually equally distributed across the individual divisions, with a slight trend toward under 90 days. Whereas the proportion of payment terms that are under 90 days is two-thirds in Europe/Middle East/Africa, terms are more widely distributed within the respective ranges in Latin America, North America and Asia/Pacific.

The Bayer Group does not believe it is exposed to a significant liquidity risk through its supplier finance agreements, as the scope of liabilities covered by a supplier finance agreement is limited and sufficient liquidity or access to sources of financing is available.

26. Other liabilities

Other liabilities comprised the following:

B 26/1

Other liabilities

	Dec. 31, 2024		Dec. 31, 2025	
€ million	Total	Of which current	Total	Of which current
Other tax liabilities	552	547	467	463
Liabilities from derivatives	168	76	128	82
Accrued interest on liabilities	341	341	323	323
Liabilities for social expenses	177	177	142	137
Liabilities to employees	975	635	855	677
Deferred income	72	32	68	28
Miscellaneous liabilities	1,048	401	1,902	1,180
Total	**3,333**	**2,209**	**3,885**	**2,890**

Miscellaneous liabilities contained €988 million in liabilities for settlement payments in connection with litigations. This amount was mainly attributable to the reclassification of provisions for litigations to miscellaneous liabilities.

Miscellaneous liabilities also contained liabilities for contingent consideration totaling €586 million (2024: €666 million) in connection with the acquisition of the US-based companies Asklepios BioPharmaceutical, Inc. (AskBio) and BlueRock Therapeutics LP (BlueRock). The decline was primarily due to exchange rate effects.

Deferred income included €38 million (2024: €36 million) in grants and subsidies received from governments, of which €2 million (2024: €3 million) was reversed through profit or loss.

27. Financial instruments

The system used by the Bayer Group to manage credit risks, liquidity risks and the different types of market-price risk (interest-rate, currency and commodity-price risks), together with its objectives, methods and procedures, is outlined in the Opportunity and Risk Report, which forms part of the Combined Management Report. It also contains more detailed information on individual market-price risks.

27.1 Financial instruments by category

The following tables show the carrying amounts and fair values of the individual financial assets and liabilities by category of financial instrument under IFRS 9 and a reconciliation to the corresponding line items in the statement of financial position. Since the line items “Trade accounts receivable,” “Other receivables,” “Financial liabilities” and “Other liabilities” contain both financial instruments and nonfinancial assets or liabilities (such as other tax receivables), the reconciliation is shown in the column headed “Nonfinancial assets/liabilities.”

B 27.1/1

Carrying amounts and fair values of financial instruments

Dec. 31, 2025

Measurement category (IFRS 9)[1]	Carried at amortized cost	Carried at fair value [fair value for information[4]]				
		Based on quoted prices in active markets (Level 1)	Based on observable market data (Level 2)	Based on unobservable inputs (Level 3)	Nonfinancial assets/ liabilities	
€ million	**Carrying amount**	**Carrying amount**	**Carrying amount**	**Carrying amount**	**Carrying amount**	**Total**
Trade accounts receivable	7,759	245	754		319	9,077
AC	7,759					7,759
FVTPL, mandatory[2]		245				245
FVTOCI (recycling)			754			754
Nonfinancial assets					319	319
Other financial assets	307	493	1,110	1,746		3,656
AC	268		[266]			268
FVTPL, mandatory[2]		453	816	1,502		2,771
FVTOCI (no recycling), designated[3]		30		240		270
FVTPL – derivatives – no hedge accounting		10	91	4		105
Derivatives – hedge accounting			203			203
Lease receivables[5]	39		[39]			39
Other receivables	326		32	82	3,169	3,609
AC	326		[325]			326
FVTPL, mandatory[2]			32	82		114
Nonfinancial assets					3,169	3,169
Cash and cash equivalents	6,671					6,671
AC	6,671		[6,671]			6,671
Total financial assets	**15,063**	**738**	**1,896**	**1,828**		**19,525**
of which AC	15,024					15,024
of which FVTPL		708	939	1,588		3,235
of which FVTOCI		30	754	240		1,024
Financial liabilities	37,339		137		103	37,579
AC	36,053	[21,624]	[13,723]			36,053
FVTPL – derivatives – no hedge accounting			137			137
Lease liabilities[5]	1,286					1,286
Nonfinancial liabilities					103	103
Trade accounts payable	7,081					7,081
AC	7,081					7,081
Other liabilities	2,419	6	81	648	731	3,885
AC	2,419		[2,419]			2,419
FVTPL (nonderivative), mandatory[2]				607		607
FVTPL – derivatives – no hedge accounting		6	17	41		64
Derivatives – hedge accounting			64			64
Nonfinancial liabilities					731	731
Total financial liabilities	**46,839**	**6**	**218**	**648**		**47,711**
of which AC	45,553					45,553
of which FVTPL		6	154	648		808

[1] AC: at amortized cost
FVTOCI: at fair value through other comprehensive income
FVTPL: at fair value through profit or loss
[2] Measured at fair value through profit or loss as required by IFRS 9
[3] Measured at fair value through other comprehensive income under IFRS 9.5.7.5
[4] Fair value of the financial instruments at amortized cost under IFRS 7.29 (a)
[5] Measured in accordance with IFRS 16, with the exception of the impairment of lease receivables and derecognition of lease receivables and liabilities, for which IFRS 9 is applied

B 27.1/2

Carrying amounts and fair values of financial instruments (previous year)

Dec. 31, 2024

		Carried at fair value [fair value for information[4]]				
Measurement category (IFRS 9)[1]	Carried at amortized cost	Based on quoted prices in active markets (Level 1)	Based on observable market data (Level 2)	Based on unobservable inputs (Level 3)	Nonfinancial assets/ liabilities	
€ million	**Carrying amount**	**Carrying amount**	**Carrying amount**	**Carrying amount**	**Carrying amount**	**Total**
Trade accounts receivable	7,935	282	534		215	8,966
AC	7,935					7,935
FVTPL, mandatory[2]		282				282
FVTOCI (recycling)			534			534
Nonfinancial assets					215	215
Other financial assets	297	1,122	1,303	1,804		4,526
AC	270		[266]			270
FVTPL, mandatory[2]		1,060	910	1,526		3,496
FVTOCI (no recycling), designated[3]		54		278		332
FVTPL – derivatives – no hedge accounting		8	290			298
Derivatives – hedge accounting			103			103
Lease receivables[5]	27		[27]			27
Other receivables	469		30	82	3,049	3,630
AC	469		[469]			469
FVTPL, mandatory[2]			30	82		112
Nonfinancial assets					3,049	3,049
Cash and cash equivalents	6,191					6,191
AC	6,191		[6,191]			6,191
Total financial assets	**14,892**	**1,404**	**1,867**	**1,886**		**20,049**
of which AC	14,865					14,865
of which FVTPL		1,350	1,230	1,608		4,188
of which FVTOCI		54	534	278		866
Financial liabilities	40,653		67		91	40,811
AC	39,405	[27,124]	[10,241]			39,405
FVTPL – derivatives – no hedge accounting			67			67
Lease liabilities[5]	1,248					1,248
Nonfinancial liabilities					91	91
Trade accounts payable	7,518					7,518
AC	7,518					7,518
Other liabilities	1,587	8	111	774	853	3,333
AC	1,587		[1,587]			1,587
FVTPL (nonderivative), mandatory[2]				725		725
FVTPL – derivatives – no hedge accounting		8	19	49		76
Derivatives – hedge accounting			92			92
Nonfinancial liabilities					853	853
Total financial liabilities	**49,758**	**8**	**178**	**774**		**50,718**
of which AC	48,510					48,510
of which FVTPL		8	86	774		868

[1] AC: at amortized cost
FVTOCI: at fair value through other comprehensive income
FVTPL: at fair value through profit or loss
[2] Measured at fair value through profit or loss as required by IFRS 9
[3] Measured at fair value through other comprehensive income under IFRS 9.5.7.5
[4] Fair value of the financial instruments at amortized cost under IFRS 7.29 (a)
[5] Measured in accordance with IFRS 16, with the exception of the impairment of lease receivables and derecognition of lease receivables and liabilities, for which IFRS 9 is applied

Due to the short maturities of most trade accounts receivable and payable, other financial receivables and liabilities, and cash and cash equivalents, their carrying amounts at the closing date do not significantly differ from the fair values. Trade accounts receivable are measured at fair value through other comprehensive income if they can potentially be transferred as part of factoring agreements. In the case of a transfer, all of the risks and opportunities contained in these agreements are transferred, resulting in complete derecognition of the receivables.

The fair values of financial assets and liabilities measured at amortized cost that are given for information are the present values of the respective future cash flows based on observable market data. The present values are determined by discounting the cash flows at a closing-date interest rate, taking into account the term of the assets or liabilities and also the creditworthiness of the counterparty in certain cases. Where a market price is available, however, this is deemed to be the fair value.

The fair values of financial assets measured at fair value correspond to quoted prices in active markets (Level 1), or are determined using valuation techniques based on observable market data as of the end of the reporting period (Level 2), or are the present values of the respective future cash flows, determined on the basis of unobservable inputs (Level 3).

The fair values of derivatives for which no publicly quoted prices exist in active markets (Level 1) are determined using valuation techniques based on observable market data as of the end of the reporting period (Level 2). In applying valuation techniques, credit or debt value adjustments are determined to account for the credit risk of the contractual party or Bayer.

Currency and commodity forward contracts are measured individually at their forward rates or forward prices on the closing date. These depend on spot rates or prices, including time spreads. The fair values of interest-rate hedging instruments and cross-currency interest-rate swaps were determined by discounting future cash flows over the remaining terms of the instruments at market rates of interest, taking into account any foreign currency translation as of the closing date in certain cases.

Fair values measured using unobservable inputs are categorized within Level 3 of the fair value hierarchy. This essentially applies to certain debt or equity instruments, in some cases to the fair values of embedded derivatives, and to obligations for contingent consideration in business combinations. Credit risk is frequently the principal unobservable input used to determine the fair values of debt instruments classified as “FVTPL – at fair value through profit or loss” by the discounted cash flow method. Here the credit spreads of comparable issuers are applied. A significant increase in credit risk could result in a lower fair value, whereas a significant decrease could result in a higher fair value. However, a relative change of 10% in the credit spread does not materially affect the fair value.

When determining the fair values of contingent consideration within the “FVTPL (nonderivative) – at fair value through profit or loss” category, the principal unobservable inputs are the estimation of the probability of achievement (such as the attainment of milestones for research and development projects or the attainment of sales targets), as well as the estimation of the timing of the payments.

Changes in these estimates may lead to significant increases or decreases in fair value.

Embedded derivatives are separated from their respective host contracts if the contracts do not represent financial assets and the embedded derivatives are not closely related to them. Such host contracts are generally sale or purchase agreements relating to the operational business. The embedded derivatives cause the cash flows from the contracts to vary with exchange-rate or price fluctuations, for example. The internal measurement of embedded derivatives is performed using appropriate valuation models, such as discounted cash flow models, which are based on unobservable inputs. The relevant models include planned sales and purchase volumes, and prices derived from market data. Regular monitoring is carried out based on these fair values as part of quarterly reporting.

A long-term, structured renewable energy credit (REC) purchase agreement is in place in the United States. The purchase agreement falls under the own use exemption in accordance with IFRS 9.2.4, but also contains a contract for difference that meets the definition of an embedded derivative measured at fair value through profit and loss. At inception, the fair value of the embedded derivative equaled the transaction price of zero. Fair value changes over the term of the agreement are mostly influenced by future energy prices and are recognized in other operating income or expenses. As of December 31, 2025, the fair value was minus €41 million (December 31, 2024: minus €41 million).

The maximum default risk from financial assets that are measured at amortized cost and are subject to the impairment model is €15,063 million (2024: €14,892 million).

The maximum default risk from financial assets that are measured at fair value through other comprehensive income and are subject to the impairment model is €754 million (2024: €534 million).

The maximum default risk from existing loan commitments that are subject to the impairment model is €1,097 million (2024: €1,097 million). In this connection, expected credit losses totaling €0 million (2024: €0 million) were reversed through profit or loss.

The maximum default risk from financial assets not subject to the impairment model is €3,708 million (2024: €4,623 million).

A Bayer subsidiary holds a share – in the form of a contractually linked instrument – in three funds with which customer finance programs were established. These funds are nonconsolidated structured entities that settle payments owed to Bayer by customers on their behalf, whereupon the contractual rights to payment from these claims expire and the associated claims are fully derecognized by Bayer upon receipt of the payment. The funds' right to payment from the customers is based on separate agreements with the customers – a promissory note or similar instrument. The funds are financed by investors who have purchased shares, with Bayer holding a 15% share (2024: 15%) in Fund 1 and shares of 13.5% (2024: 0%) each in Funds 2 and 3. The funds can acquire promissory notes or similar instruments with amounts of up to: €217 million for Fund 1 (2024: €232 million), €47 million for Fund 2 (2024: €0 million) and €77 million for Fund 3 (2024: €0 million). The shares are reported under other receivables and measured at fair value through profit or loss for Funds 1 and 2, and at amortized cost for Fund 3. The carrying amounts of the shares held by Bayer as of December 31, 2025, were €28 million for Fund 1 (December 31, 2024: €29 million), €4 million for Fund 2 (December 31, 2024: €0 million) and €9 million for Fund 3 (December 31, 2024: €0 million). The maximum default risk is equal to the respective carrying amount. If customers are unable to service their promissory notes or similar instruments, losses for Fund 1 amounting to as much as 15% of the fund volume would initially be borne by Bayer, while all other losses would be borne by a bank; for Funds 2 and 3, losses of up to 1.5% would initially be bourne by an investor, while further losses of up to 13.5% would be bourne by Bayer and all other losses would be borne by a bank. The funds are not consolidated as Bayer cannot exercise any control over their relevant activities.

The changes in the amount of financial assets and liabilities recognized at fair value based on unobservable inputs (Level 3) for each financial instrument category were as follows:

B 27.1/3

Development of financial assets and liabilities (Level 3)

€ million	Assets – FVTPL[1]	FVTOCI (no recycling)[1]	Derivatives (net)	Liabilities – FVTPL (non-derivative)[1]	Total
Carrying amount, January 1, 2025	**1,608**	**278**	**(49)**	**(725)**	**1,112**
Gains/(losses) recognized in profit or loss	12	–	4	(4)	12
of which relating to assets/liabilities held at the end of the reporting period	12	–	4	(4)	12
Gains/(losses) recognized outside profit or loss	–	(18)	–	–	(18)
Additions of assets/(liabilities)	30	9	–	–	39
Settlements of (assets)/liabilities	(47)	(3)	–	38	(12)
Changes in scope of consolidation	–	2	–	–	2
Exchange differences	(19)	(28)	8	84	45
Carrying amount, December 31, 2025	**1,584**	**240**	**(37)**	**(607)**	**1,180**

[1] See table B 27.1/1 for definitions of measurement categories.

B 27.1/4

Development of financial assets and liabilities (Level 3) (previous year)

€ million	Assets – FVTPL[1]	FVTOCI (no recycling)[1]	Derivatives (net)	Liabilities – FVTPL (non-derivative)[1]	Total
Carrying amount, January 1, 2024	**1,576**	**261**	**31**	**(1,030)**	**838**
Gains/(losses) recognized in profit or loss	23	–	(79)	151	95
of which relating to assets/liabilities held at the end of the reporting period	23	–	(79)	151	95
Gains/(losses) recognized outside profit or loss	–	(45)	–	–	(45)
Additions of assets/(liabilities)	30	38	–	(19)	49
Settlements of (assets)/liabilities	(32)	–	–	226	194
Changes in scope of consolidation	–	11	–	–	11
Exchange differences	11	13	(1)	(53)	(30)
Carrying amount, December 31, 2024	**1,608**	**278**	**(49)**	**(725)**	**1,112**

[1] See table B 27.1/2 for definitions of measurement categories.

The changes recognized in profit or loss were included in other operating income/expenses, as well as in the financial result in interest income, exchange gains or losses, and other financial income and expenses.

Income, expense, gains and losses on financial instruments can be assigned to the following categories:

B 27.1/5

Income, expense, gains and losses on financial instruments

2025

€ million	Assets – AC[1]	Assets – FVTPL[1]	FVTOCI (no recycling)[1]	Derivatives – no hedge accounting – FVTPL[1]	Liabilities – AC[1]	Liabilities – FVTPL (non-derivative)[1]	Total
Interest income	214	75	–	–	3	–	292
Interest expense	–	–	–	–	(1,643)	–	(1,643)
Income/(expenses) from affiliated companies	–	–	19	–	–	–	19
Changes in fair value	–	(20)	–	(41)	–	(4)	(65)
Impairment losses	(295)	–	–	–	–	–	(295)
Impairment loss reversals	113	–	–	–	–	–	113
Exchange gains/(losses)	74	–	–	(826)	729	–	(23)
Other financial income/(expenses)	(11)	–	–	–	(9)	–	(20)
Net result	**95**	**55**	**19**	**(867)**	**(920)**	**(4)**	**(1,622)**

[1] See table B 27.1/1 for definitions of measurement categories.

B 27.1/6

Income, expense, gains and losses on financial instruments (previous year)

2024

€ million	Assets – AC[1]	Assets – FVTPL[1]	FVTOCI (no recycling)[1]	Derivatives – no hedge accounting – FVTPL[1]	Liabilities – AC[1]	Liabilities – FVTPL (non-derivative)[1]	Total
Interest income	306	137	–	–	4	–	447
Interest expense	–	–	–	–	(1,875)	–	(1,875)
Income/(expenses) from affiliated companies	–	–	(2)	–	–	–	(2)
Changes in fair value	–	(27)	–	(34)	–	151	90
Impairment losses	(164)	–	–	–	–	–	(164)
Impairment loss reversals	97	–	–	–	–	–	97
Exchange gains/(losses)	(676)	–	–	741	(182)	–	(117)
Other financial income/(expenses)	–	–	–	–	(8)	–	(8)
Net result	**(437)**	**110**	**(2)**	**707**	**(2,061)**	**151**	**(1,532)**

[1] See table B 27.1/2 for definitions of measurement categories.

The interest income and expense from assets and liabilities within the AC category also included income and expenses from interest-rate derivatives that qualified for hedge accounting. Income and expenses from lease receivables and lease liabilities, respectively, are also included here.

Interest income from debt instruments within the FVPTL category is included in interest income and primarily concerns interest income from the capital provided to Bayer-Pensionskasse for its effective initial fund and from money market funds. The changes in the fair value of assets within the FVTPL category mainly included changes in the fair value of “Leaps by Bayer” investments in convertible loans as well as investments in mixed funds. Dividend income and profit and loss compensation from profit and loss transfer agreements are reported under income and expenses from affiliated companies. The changes in the fair value of derivatives that do not qualify for hedge accounting primarily related to embedded derivatives.

Changes in the fair value of (nonderivative) liabilities within the FVTPL category mainly included changes in the fair value of obligations for contingent consideration in connection with business acquisitions.

Derivatives that form part of a master netting arrangement, constitute a financial asset or liability, and can only be netted in the event of breach of contract by, or insolvency of, one of the contracting parties do not satisfy, or only partially satisfy, the criteria for offsetting in the statement of financial position according to IAS 32. The volume of such derivatives with positive fair values was €291 million (2024: €383 million), and the volume with negative fair values was €219 million (2024: €173 million). Included here is an amount of €124 million (2024: €111 million) in positive and negative fair values of derivatives concluded with the same contracting party.

27.2 Maturity analysis

The liquidity risks to which the Bayer Group was exposed through its financial instruments at the end of the reporting period comprised obligations for future interest and repayment installments on financial liabilities and the liquidity risk arising from derivatives.

There were also loan commitments of €965 million (2024: €965 million) and €132 million (2024: €132 million) relating to as yet unpaid portions of the effective initial funds of Bayer-Pensionskasse VvaG and Rheinische Pensionskasse VVaG, respectively, which may result in further payments by Bayer AG in subsequent years.

The undiscounted, contractually agreed cash inflows/outflows (notional amounts) from financial instruments are shown in the following tables:

B 27.2/1

Maturity analysis of financial instruments

	Dec. 31, 2025	2026	2027	2028	2029	2030	after 2030
€ million	Carrying amount	Interest and repayment					
Financial liabilities							
Bonds	33,310	4,593	3,054	4,724	4,960	3,559	23,241
Liabilities to banks	1,754	768	148	91	84	59	850
Remaining liabilities	2,275	1,336	348	217	155	121	469
Trade accounts payable	7,081	7,019	41	18	3	–	–
Other liabilities							
Accrued interest on liabilities	323	323	–	–	–	–	–
Remaining liabilities	2,703	1,855	595	21	135	–	607
Liabilities from derivatives	265	238	7	35	9	7	30
With gross settlement		53	4	26	3	3	12
Cash outflows		9,490	12	278	5	5	155
Cash inflows		(9,437)	(8)	(252)	(2)	(2)	(143)
With net settlement		185	3	9	6	4	18
Cash inflows/(outflows)		185	3	9	6	4	18
Loan commitments	–	1,097	–	–	–	–	–
Financial guarantees	–	23	–	–	–	–	–
Total	**47,711**	**17,252**	**4,193**	**5,106**	**5,346**	**3,746**	**25,197**

B 27.2/2

Maturity analysis of financial instruments (previous year)

€ million	Dec. 31, 2024 Carrying amount	2025	2026	2027	2028	2029	after 2029
		Interest and repayment					
Financial liabilities							
Bonds	38,226	5,359	5,072	2,721	4,862	5,132	28,420
Liabilities to banks	1,132	693	265	221	67	60	40
Remaining liabilities	1,295	416	301	205	145	149	356
Trade accounts payable	7,518	7,485	18	5	9	1	–
Other liabilities							
Accrued interest on liabilities	341	341	–	–	–	–	–
Remaining liabilities	1,971	1,023	456	330	98	79	547
Liabilities from derivatives	235	87	34	15	2	3	28
With gross settlement		56	(2)	–	–	–	–
Cash outflows		5,342	226	–	–	–	–
Cash inflows		(5,286)	(228)	–	–	–	–
With net settlement		31	36	15	2	3	28
Cash inflows/(outflows)		31	36	15	2	3	28
Loan commitments	–	1,097	–	–	–	–	–
Financial guarantees	–	24	–	–	–	–	–
Total	**50,718**	**16,525**	**6,146**	**3,497**	**5,183**	**5,424**	**29,391**

27.3 Information on derivatives

Asset and liability fair values and future cash flows are exposed to currency, interest-rate and commodity-price risks. Derivatives are used to reduce this risk. In some cases, they are designated as hedging instruments in a hedge accounting relationship.

Currency risks

Foreign currency receivables and liabilities are hedged using foreign exchange derivatives without the existence of a hedge accounting relationship. In addition, cross-currency interest-rate swaps are concluded to hedge bonds issued in foreign currency that are designated as cash flow hedges in hedge accounting.

Fluctuations in future cash flows resulting from forecasted foreign currency transactions and procurement activities are avoided partly through derivatives contracts, most of which are designated as cash flow hedges.

Interest-rate risks

Interest-rate risks in connection with the issuance of new bonds were partially hedged through interest-rate derivatives designated as cash flow hedges. The fair values of these derivatives as of the issuance date will be amortized from reserves for cash flow hedges into interest income and expense over the term of the bonds.

Commodity-price risks

Hedging contracts are also used to partly reduce exposure to fluctuations in future cash inflows and outflows resulting from price changes on procurement and selling markets for seeds and energy. Most of these contracts are designated as cash flow hedges.

Hedging of obligations under stock-based employee compensation programs (Aspire)

A portion of the obligations to make stock-based payments to employees is hedged against share price fluctuations using derivatives contracts that are settled in cash at maturity. These derivatives are designated as cash flow hedges.

Further information on cash flow hedges

Other comprehensive income from cash flow hedges increased by €186 million in 2025 (2024: declined by €16 million) due to changes in the fair values of derivatives. Total changes of €142 million in the fair values of derivatives were recognized as income in 2025 (2024: income of €85 million) through profit or loss.

The following table shows changes in reserves for cash flow hedges (before taxes) in equity, broken down by risk category:

B 27.3/1

Changes in reserves for cash flow hedges (before taxes)

€ million	Currency hedging of recorded transactions	Currency hedging of forecasted transactions	Interest-rate hedging of forecasted transactions	Commodity price hedging	Hedging of stock-based employee compensation programs	Total
January 1, 2024	**–**	**6**	**72**	**(31)**	**–**	**47**
Changes in fair values	–	129	(2)	(100)	(43)	(16)
Reclassified to profit or loss	–	(87)	(21)	5	18	(85)
Reclassified to inventories				55		55
December 31, 2024	**–**	**48**	**49**	**(71)**	**(25)**	**1**
Changes in fair values	6	17		12	151	186
Reclassified to profit or loss	–	(38)	(16)	1	(89)	(142)
Reclassified to inventories				62		62
December 31, 2025	**6**	**27**	**33**	**4**	**37**	**107**

An amount of €31 million relating to ineffective portions of these hedges was recognized through profit or loss in 2025, while no material ineffective portions were recognized through profit or loss in 2024.

The fair values of the main derivatives in the major categories as of year-end are indicated in the following table together with the included volumes of hedges:

B 27.3/2

Fair values of derivatives

	Dec. 31, 2024			Dec. 31, 2025		
		Fair value			Fair value	
€ million	Notional amount[1]	Positive	Negative	Notional amount[1]	Positive	Negative
Currency hedging of recorded transactions[2, 3]	**16,465**	**262**	**(67)**	**14,375**	**76**	**(137)**
Forward exchange contracts	16,465	262	(67)	13,969	72	(137)
Cross-currency interest-rate swaps	–	–	–	406	4	–
of which cash flow hedges	–	–	–	406	4	–
Currency hedging of forecasted transactions[2, 4]	**6,168**	**106**	**(51)**	**6,238**	**96**	**(70)**
Forward exchange contracts	3,447	83	(35)	3,019	57	(58)
of which cash flow hedges	2,932	73	(25)	2,322	47	(49)
Currency options	2,721	23	(16)	3,219	39	(12)
of which cash flow hedges	2,629	23	(16)	3,160	38	(12)
Commodity price hedging[2, 4]	**1,401**	**15**	**(11)**	**1,321**	**9**	**(9)**
Forward commodity contracts	1,157	9	(11)	1,249	7	(9)
of which cash flow hedges	1,069	6	(7)	857	6	(3)
Commodity option contracts	244	6	–	72	2	–
of which cash flow hedges	129	1	–	–	–	–
Hedging of stock-based compensation programs[2, 4]	**216**	**–**	**(44)**	**298**	**108**	**–**
Forward share transactions	216	–	(44)	298	108	–
of which cash flow hedges	216	–	(44)	298	108	–
Total	**24,250**	**383**	**(173)**	**22,232**	**289**	**(216)**
of which current derivatives	23,090	375	(124)	20,991	182	(190)
for currency hedging	21,863	360	(113)	19,762	156	(181)
for commodity price hedging	1,227	15	(11)	1,136	9	(9)
for hedging of stock-based compensation programs	–	–	–	93	17	–

[1] The notional amount is reported as gross volume, which also contains economically closed hedges.
[2] Derivatives with positive fair values are recognized under “Other financial assets” in the statement of financial position.
[3] Derivatives with negative fair values are recognized under “Financial liabilities” in the statement of financial position.
[4] Derivatives with negative fair values are recognized under “Other liabilities” in the statement of financial position.

The hedging rates for the material currency pairs of the currency hedging derivatives existing at year-end that qualified for hedge accounting were as follows:

B 27.3/3

Hedging rates of derivatives – hedge accounting

	Dec. 31, 2024	Dec. 31, 2025
	Short-term derivatives	Short-term derivatives
	Average hedging rate	**Average hedging rate**
Currency hedging of forecasted transactions		
Forward exchange contracts – cash flow hedges		
EUR/BRL	6.35	6.97
EUR/CNH	7.76	8.05
EUR/JPY	158.61	166.72

28. Leases

The accounting policy options exercised with respect to leases are outlined in Note [3].

Lease contracts in which Bayer is the lessee mainly pertain to real estate, machinery, equipment or vehicles. Lease contracts are negotiated individually and each contain different arrangements on extension, termination or purchase options, for example.

Land and building leases in which Bayer is the lessee have average terms of 9.6 years (2024: 8.7 years). In many cases, the payments agreed under these leases are adjusted annually based on the development of the consumer price index for the respective country. Building leases generally contain clauses that prohibit subleasing except with the consent of the lessor. Leases of assets other than land or buildings have average terms of 6.9 years (2024: 6.4 years).

Like in the previous year, approximately half of all contracts (excluding vehicle leases) contain an option for Bayer as lessee to terminate the lease on a date specified in the contract. As in the prior year, roughly half of all contracts with a fixed minimum term (excluding vehicle leases) grant Bayer as lessee an extension option. Vehicle leases generally contain a right of early return and an extension option.

The carrying amounts of the following right-of-use assets are recognized under property, plant and equipment:

B 28/1

Right-of-use assets

€ million	Dec. 31, 2024	Dec. 31, 2025
Land and buildings	769	770
Investment property	6	5
Plant installations and machinery	89	116
Furniture, fixtures and other equipment	269	273
Construction in progress and advance payments	6	–
Total	**1,139**	**1,164**

Additions to right-of-use assets in 2025 amounted to €517 million (2024: €421 million).

The maturities of the outstanding lease payments were as follows:

B 28/2

Maturities of lease payments

€ million	Dec. 31, 2024	Dec. 31, 2025
Maturing within 1 year	376	332
Maturing in 1–5 years	793	835
Maturing after 5 years	356	469
Total	**1,525**	**1,636**

The depreciation of right-of-use assets in 2025 pertained to the following asset groups:

B 28/3

Depreciation of right-of-use assets

€ million	2024	2025
Land and buildings	207	183
Plant installations and machinery	28	30
Furniture, fixtures and other equipment	123	119
Total	**358**	**332**

In addition, the following amounts were recognized in the income statement in 2025 in connection with lease contracts in which Bayer was the lessee:

B 28/4

Income statement impact of leases

€ million	2024	2025
Interest expense for the unwinding of discount on lease liabilities	(77)	(77)
Expenses for short-term leases with terms longer than one month and up to 12 months	(444)	(284)
Expenses for leases with low-value underlying assets (excluding short-term leases)	(2)	(3)
Expenses for variable lease payments not included in the measurement of the lease liability	(22)	(19)
Income from subleasing of right-of-use assets	2	2
Gains or losses on sale-and-leaseback transactions	–	64
Total	**(543)**	**(317)**

Cash outflows related to lessee activities in 2025 amounted to €745 million (2024: €908 million). Unrecognized liabilities of €13 million existed as of December 31, 2025, for short-term leases that had not yet commenced (December 31, 2024: €21 million). Leases signed but not yet commenced as of December 31, 2025, (other than short-term leases) amounted to €76 million (2024: €120 million).

29. Contingent liabilities and other financial commitments

Contingent liabilities

Contingent liabilities as of December 31, 2025, amounted to €5,877 million (December 31, 2024: €7,143 million) and primarily related to tort, tax or labor law and other matters in countries including Germany, Brazil and the United States. This mainly comprised litigations related to the BASF arbitration proceeding and tax risks, as well as patent disputes pertaining to our Intacta RR2 PRO™ soybean technology. For more information on the above-mentioned matters, see Note [30], "Legal risks." Both the assessment of the contingent liabilities and the assessment of the probability of the outflow of resources are subject to a high degree of uncertainty.

Other financial commitments

The other financial commitments were as follows:

B 29/1

Other financial commitments

€ million	Dec. 31, 2024	Dec. 31, 2025
Commitments under purchase agreements for property, plant and equipment	549	570
Contractual obligation to acquire intangible assets	128	113
Capital contribution commitments	237	17
Unpaid portion of the effective initial fund	1,097	1,097
Potential payment obligations under collaboration agreements and contingent payments from acquisitions that do not constitute business combinations	2,872	2,378
Revenue-based milestone payment commitments	3,339	2,736
Total	**8,222**	**6,911**

The expected maturities of payment obligations under collaboration agreements and revenue-based milestone payment commitments are as follows:

B 29/2

Maturities of other financial liabilities

	Potential payment obligations under collaboration agreements and contingent payments from acquisitions that do not constitute business combinations		Revenue-based milestone payment commitments	
€ million	2024	2025	2024	2025
Maturing within 1 year	258	250	–	180
Maturing in 1–5 years	850	638	473	306
Maturing after 5 years	1,764	1,490	2,866	2,250
Total	**2,872**	**2,378**	**3,339**	**2,736**

The Bayer Group has entered into cooperation agreements with third parties under which it has agreed to fund various projects or has assumed other payment obligations based on the achievement of certain milestones or other specific conditions. The amounts shown represent the maximum payments to be made, and it is unlikely that they will all fall due. Since the achievement of the conditions for payment is highly uncertain, both the amounts and the dates of the actual payments may vary considerably from those stated in the table.

30. Legal risks

As a global company with extensive business activities, the Bayer Group is exposed to numerous legal risks, particularly in the areas of product liability, competition and antitrust law, anticorruption, patent disputes, tax assessments and environmental matters. The outcome of any current or future proceedings cannot normally be predicted. It is therefore possible that legal or regulatory judgments or future settlements could give rise to expenses that are not covered, or not fully covered, by insurers' compensation payments and could significantly affect our sales and earnings. The legal proceedings referred to below do not represent an exhaustive list of all legal proceedings, but rather those legal proceedings we currently consider to be material.

Product-related litigation

Class actions over neonicotinoids in Canada: Proposed class actions against Bayer have been filed in Quebec and Ontario (Canada) concerning crop protection products containing the active substances imidacloprid and clothianidin (neonicotinoids). The plaintiffs are honey producers, who have filed a proposed nationwide class action in Ontario and a Quebec-only class action in Quebec. The plaintiffs are seeking compensatory and punitive damages and allege that Bayer and another crop protection company were negligent in the design, development, marketing and sale of neonicotinoid pesticides. The proposed Ontario class action is in a very early procedural phase. In Quebec, a court certified a class proposed by the plaintiffs in 2018. The plaintiffs failed to set the case down for trial within the required time frame. In February 2026, the court rejected their application for relief from this default, and the case was consequently discontinued. The plaintiffs still have the right to appeal against the decision. Bayer believes it has meritorious defenses and intends to defend itself vigorously.

Roundup™ (glyphosate): A large number of lawsuits from plaintiffs claiming to have been exposed to glyphosate-based products manufactured by Bayer's subsidiary Monsanto Company ("Monsanto") have been served upon Monsanto in the United States. Glyphosate is the active ingredient contained in a number of Monsanto's herbicides, including Roundup™-branded products. Plaintiffs allege personal injuries resulting from exposure to those products, including non-Hodgkin lymphoma ("NHL") and multiple myeloma, and are seeking compensatory and punitive damages. The plaintiffs are claiming, inter alia, that the glyphosate-based herbicide products are defective and that Monsanto knew, or should have known, of the risks allegedly associated with such products and failed to adequately warn its users. Additional lawsuits are anticipated. The majority of plaintiffs have brought actions in state courts in Missouri.

In February 2026, Monsanto reached agreement on two significant settlements regarding Roundup™ claims: a proposed US nationwide class settlement and a separate agreement settling certain other Roundup™ claims on mutually acceptable terms. The settlement agreements do not contain any admission of liability or wrongdoing. They are aimed at significantly containing the Roundup™ litigation.

The proposed class settlement is designed to resolve current and future glyphosate-related claims alleging NHL injuries regardless of legal theory through a long-term claims program.

The scope of the proposed settlement class covers persons who allege exposure to Roundup™ prior to the settlement date and have a medical diagnosis of NHL or receive a medical diagnosis of NHL before the end of a 16-year period following the effective date of the settlement, which occurs after final trial court approval of the class settlement agreement and exhaustion of all appellate rights.

To fund the class, Monsanto will make declining capped annual payments for up to 21 years totaling up to US$7.25 billion.

The class settlement agreement is subject to court approval. As part of the approval process, a settlement administrator will send notice to the class, and class members will have the opportunity to object to or opt out of the settlement. Monsanto has the right to terminate the class settlement if the number of opt-outs is excessive.

If the state trial court finally approves the class settlement, such order could be appealed, with the decision on an appeal potentially taking several years. The class settlement does not become final and effective until all appeal procedures have been concluded.

The following summarizes other Roundup™ litigation developments in the United States which are not affected by the two settlements reached by Monsanto in February 2026.

As of February 2026, 28 Roundup™ trials have been concluded before both federal and state courts in California, Missouri, Oregon, Arkansas, Delaware, Illinois, Georgia and Pennsylvania. In one of these cases, a defense verdict was reversed upon appeal and a re-trial was scheduled. Another seven of these cases remain pending on appeal, including only three outstanding adverse verdicts: Anderson, Dennis and Durnell.

In 2025, four plaintiffs' verdicts (Caranci, Martel, Anderson and Dennis) were affirmed by appellate courts without further reduction of the amounts awarded at the trial court level. In August and November 2025, Monsanto agreed, without admission of liability, to settle the Martel and Caranci cases on mutually acceptable terms. In May 2025, the plaintiffs' verdict (comprised of approximately US$61 million in compensatory damages and approximately US$550 million in punitive damages) in Anderson, a three-plaintiff case tried in Missouri, was upheld by the appellate court. Monsanto intends to seek review by the US Supreme Court. In November 2025, the California appeals court upheld a judgment of approximately US$28 million against Monsanto in the Dennis case. Monsanto is currently seeking review by the California Supreme Court.

In 2024, the Third Circuit Federal Court of Appeals issued its ruling in Schaffner, unanimously holding that the state-based failure-to-warn claims in this case are expressly preempted by the Federal Insecticide Fungicide and Rodenticide Act (FIFRA). This decision on federal preemption has created a circuit split with prior decisions of the Ninth (Hardeman) and Eleventh (Carson) Circuits. In April 2025, Monsanto filed a petition for a writ of certiorari with the US Supreme Court in the Durnell case, shortly after the Missouri Supreme Court denied Monsanto's appeal. In its petition, Monsanto argues that the split among federal circuit courts in the Roundup™ personal injury litigation, on the cross-cutting question of whether federal law preempts state-based failure-to-warn claims, warrants review and resolution. In June 2025, the US Supreme Court asked the Solicitor General to provide the Federal Government's view on whether the Court should hear the Durnell appeal. In December 2025, the Solicitor General filed its brief supporting the review of the petition for a writ of certiorari in the Durnell case by the US Supreme Court. In January 2026, the US Supreme Court announced that it will review the Durnell case. The US Supreme Court case is unaffected by the settlements agreed in February 2026 described above.

As of December 31, 2025, Bayer's provision and liabilities for the glyphosate litigation totaled US$11.3 billion (€9.6 billion). Bayer continues to believe there is no reason for safety concerns in connection with the products mentioned above.

Additionally, as of February 15, 2026, a total of approximately 35 lawsuits (proposed class actions and individual actions) relating to Roundup™ have been filed against Bayer in Canada. The lead class action was partially certified and will proceed on the merits.

Bayer believes it has meritorious defenses and intends to defend the safety of glyphosate and our glyphosate-based formulations vigorously.

Dicamba: In 2016, Bader Peach Farms filed a lawsuit against Monsanto and BASF SE ("BASF") in Missouri state court. Subsequently, lawsuits from approximately 250 plaintiffs were filed in both US state and federal courts alleging crop damage claims against Monsanto, primarily for soybeans. The general claims are that off-target movement of dicamba herbicide and/or the Xtend™ system has damaged non-dicamba-tolerant soybean and other crops. The Bader Peach Farms case was settled in 2022 without admission of liability.

Bayer continues to receive new dicamba-related claims that could result in potential future lawsuits. A mass tort settlement agreement was reached. The settlement provides for the payment of substantiated claims by soybean growers in crop years 2015 to 2020 who can demonstrate a yield loss due to the application of dicamba products to an Xtend™ crop. That portion of the settlement is capped at US$300 million. The settlement also provides for additional funds of up to US$100 million to pay for dicamba damage claims made by growers of other, non-soybean crops, as well as attorneys' fees, litigation costs and settlement administration costs. The settlement claims administration process is ongoing. Taking into account the payments already made, the remaining provision for settlements amounted to approximately US$41 million (€35 million) as of December 31, 2025.

There are lawsuits pending in Texas brought on behalf of approximately 50 grape vineyards alleging damage in the years 2017 to 2024 (Timmons). Bayer believes it has meritorious defenses and intends to defend itself vigorously.

Insurance against statutory product liability claims
In connection with the above-mentioned product-related litigations and the below-mentioned PCB proceedings, Bayer is insured against statutory product liability claims to the extent customary in the respective industries and has, based on the information currently available, taken corresponding accounting measures. However, the accounting measures relating to, in particular, Roundup™ (glyphosate) and PCB claims exceed the available insurance coverage.

Patent disputes

Bollgard II RR Flex™/Intacta RR2 PRO™: In 2019, the Cotton Producers Association of the State of Mato Grosso ("AMPA") in Brazil filed a patent invalidity action in federal court seeking to invalidate four of Bayer's patents covering Bollgard II RR Flex™, a cotton technology owned by Bayer. In 2020, the Brazilian patent office, in the court proceedings, acknowledged the validity of all four challenged patents. Two of the patents are also being challenged in administrative nullity proceedings before the Brazilian patent office. One of the patents, the promoter patent which expired in 2022, is also at issue in a patent invalidation action filed in Brazilian federal court by the Soybean Growers Association from the State of Mato Grosso ("Aprosoja/MT") in 2017 regarding the Intacta RR2 PRO™ soybean technology. In addition to the patent invalidity claims, both lawsuits seek a refund of paid royalties. Both lawsuits were filed as collective actions and are proceeding before the same federal judge. Bayer's Intacta RR2 PRO™ soybean technology is presently protected by three patents.

In addition to the action filed in 2017 regarding the promoter patent, Aprosoja/MT is also seeking a correction of the expiration dates of the three patents protecting Bayer's Intacta RR2 PRO™ soybean technology, including the now expired promoter patent, in a separate action. In this action, Aprosoja/MT is claiming that the two other patents had already expired and is additionally seeking a corresponding refund of paid royalties and reduction of ongoing royalty payments. In 2021, the Brazilian court in Mato Grosso decided to grant the requests by further soybean grower associations and AMPA to be admitted as co-plaintiffs to this lawsuit. One of the two patents, the promoter patent, also covers Bollgard II RR Flex™ and is at issue in the disputes with AMPA. Aprosoja/MT argues that the term of the patents had been determined unconstitutionally. In 2021, a decision by the Brazilian Supreme Court – that the term of patents previously determined to be a minimum of 10 years from the patent being granted is unconstitutional, and that this term shall instead be set at 20 years from the filing of the patent application – became final. This applies retroactively to certain patents, thereby shortening their term. In 2024, the court in Mato Grosso issued a decision granting all claims by Aprosoja/MT, including an order to refrain from collecting the proportional royalties for two of the three patents. In addition, the decision included an order to reimburse royalties paid by rural producers for the two patents after their shortened term provided that eligible rural producers file individual claims in that regard proving

their entitlement to the granted reimbursement and the amount. Bayer disagrees with the decision and has appealed it. Bayer continues to believe that neither Aprosoja/MT nor other associations or rural producers are entitled to a refund of paid royalties or to a reduction of ongoing royalty payments.

MON 87429/MON 94313: In 2022, Corteva Agriscience LLC ("Corteva") filed a complaint in a US federal court against Bayer. Corteva alleges infringement of three patents held by Corteva by Bayer's herbicide tolerance technologies MON 87429 (corn) and MON 94313 (soybeans), respectively. However, Bayer asserts that its technologies do not infringe any valid patent claim of Corteva and that all three patents of Corteva are invalid. The litigation is stayed pending the final outcome of an Inter Partes Review ("IPR"), upon Bayer's request, of the three patents by the Patent Trial and Appeal Board ("PTAB") of the US Patent and Trademark Office. In 2024, we received favorable IPR decisions from the PTAB finding all three Corteva patents invalid. The decisions have been appealed by Corteva. In January 2026, Bayer and Corteva settled the dispute on mutually acceptable terms and the cases have been dismissed.

Roundup Ready™ Soybean, Event GTS40-3-2: In 2023, Bayer's subsidiaries Monsanto and Monsanto do Brasil were served with an action filed in the Brazilian Superior Court of Justice by the rural unions of Sertão, Passo Fundo and Santiago in the State of Rio Grande do Sul. The action challenges a 2019 decision by the court that had confirmed the protection of Roundup Ready™ soybeans under Brazilian patent law independent from plant variety protection and denied claims for a refund of paid royalties.

Bayer believes it has meritorious defenses in the above patent disputes and intends to defend itself vigorously.

Further legal proceedings

BASF arbitration: In 2019, Bayer was served with a request for arbitration by BASF. BASF alleged indemnification claims under asset purchase agreements signed in 2017 and 2018 related to the divestment of certain Crop Science businesses to BASF. BASF alleged that particular cost items, including certain personnel costs, had not been appropriately disclosed and allocated to some of the divested businesses. In 2022, the arbitral tribunal dismissed BASF's claims in their entirety. In 2023, the Higher Regional Court of Frankfurt am Main (Germany) rejected BASF's motion to set aside the award. However, the court found that the arbitral award was technically invalid because it did not comply with a German procedural rule regarding the signatures of the tribunal members. According to the court decision, the original arbitration proceedings had not yet come to an end and still had to be concluded by a valid arbitration award that fully complies with the procedural rules. In 2024, the Federal Court of Justice (Germany) overturned the decision of the Higher Regional Court of Frankfurt am Main and remanded the case back to the Higher Regional Court of Frankfurt am Main for a decision on the alleged grounds for annulment, ruling that the procedural rule regarding the signatures of the tribunal members had not been infringed. In June 2025, the Higher Regional Court of Frankfurt am Main decided to dismiss BASF's arguments and upheld the arbitration award. BASF appealed against the decision to the Federal Court of Justice.

Newark Bay environmental matters: In the United States, Bayer is a backup indemnitor for certain environmental liabilities in the Lower Passaic River and/or the Newark Bay Complex which are being satisfied by an unrelated company. Bayer is currently unable to determine the extent of its potential future liability for this matter.

Mine permit Idaho: In 2019, the United States Bureau of Land Management ("BLM") granted a permit to Bayer's subsidiary P4 Production, LLC ("P4 Production"), for a new phosphate mine in Idaho. Phosphorus is needed for glyphosate, which is contained in a number of Bayer's herbicides, including Roundup™ agricultural herbicides. In 2021, three non-governmental organizations ("NGOs") challenged the permit in the United States District Court for the District of Idaho. P4 Production joined the proceeding as an intervenor. In 2023, the court vacated the permit. P4 Production has submitted a new mine permit application and is evaluating other phosphate ore mining opportunities.

In 2024, we reached a settlement with the plaintiffs. The settlement ensures that the NGOs will not challenge a new permit, which we still expect the BLM to issue.

Asbestos: In many cases, plaintiffs allege that Bayer and co-defendants employed third parties on their sites in past decades without providing them with sufficient warnings or protection against the known dangers of asbestos. Additionally, a Bayer affiliate in the United States is the legal successor to companies that sold asbestos products until 1976. Union Carbide has agreed to indemnify Bayer for this liability. Similarly, Monsanto faces numerous claims based on exposure to asbestos at Monsanto premises without adequate warnings or protection and based on the manufacture and sale of asbestos-containing products. Bayer believes it has meritorious defenses and intends to defend itself vigorously.

PCBs: Bayer's subsidiary Monsanto has been named in lawsuits brought by various governmental entities in the United States claiming that Monsanto, Pharmacia and Solutia, collectively as a manufacturer of PCBs, should be responsible for a variety of damages due to PCBs in the environment, including bodies of water, regardless of how PCBs came to be located there. PCBs are chemicals that were widely used for various purposes until the manufacture of PCBs was prohibited by the EPA in the United States in 1979.

In 2020, Bayer entered into a class settlement, valued at approximately US$650 million, to settle claims of approximately 2,500 municipal entities. In 2022, the court issued its final approval of the class settlement. There were approximately 84 opt-outs from the class settlement, the majority of which have now filed lawsuits. In 2024, Bayer agreed, without admission of liability, to pay US$160 million to settle the lawsuit with the City of Seattle, US$35 million of which was devoted to PCB remediation. In the same year, Bayer agreed, without admission of liability, to pay US$35 million to settle the lawsuit with the City of Los Angeles.

In 2024, the Maine Attorney General filed suit in state court alleging claims for damages related to PCB contamination of the state's environment, meaning there are now five attorney general cases pending: Delaware, Maine, Maryland, New Jersey and Vermont. Prior cases filed or threatened by Washington, Washington D.C., New Mexico, New Hampshire, Ohio, Pennsylvania and Virginia were settled for a combined total of approximately US$456 million. In December 2025, the cases filed or threatened by West Virginia and Illinois were settled on mutually acceptable terms. The company also settled a pending matter with the State of Oregon for US$698 million, reflecting unique circumstances in that State.

The Vermont Attorney General case is different from the others in scope because it involves allegations of contamination not only of the state's environment but also of its school buildings. There is a similar complaint (Addison Central School District) pending in federal court (District of Vermont) by private lawyers representing 93 Vermont school districts alleging PCB contamination in school buildings. In addition, there is a pending case in Vermont on behalf of the Burlington School District and related personal injury claims (see below).

Monsanto also faces numerous lawsuits claiming personal injury due to use of and exposure to PCB products in school and university buildings. One group of cases with approximately 250 plaintiffs claimed a wide variety of personal injuries allegedly due to PCBs in the building products of the school Sky Valley Education Center ("SVEC") in King County, Washington. As of January 31, 2026, 10 trials had been completed in these matters, involving a total of 80 plaintiffs. 31 of these plaintiffs were not successful as the juries decided in favor of Monsanto or a mistrial was declared after the jury was unable to reach a decision. The other 49 plaintiffs were awarded a total of approximately US$320 million in compensatory and a multiple thereof in punitive damages. The undisputed evidence in these cases does not, in Bayer's opinion, support the conclusions that plaintiffs were exposed to unsafe levels of PCBs or that any exposure could have caused their claimed injuries. Bayer had filed post-trial motions or appealed the adverse verdicts, due to numerous significant trial errors. In June 2025, due to the specific circumstances and without admission of liability, Monsanto agreed to settle the claims of 22 plaintiffs in the Burke case on mutually acceptable terms. In August 2025, Monsanto reached an agreement in principle, without admission of liability, to settle on mutually acceptable terms all existing SVEC cases, involving more than 200 plaintiffs, except for current adverse SVEC verdicts that remained on appeal. In December 2025, Monsanto fully resolved the majority of these claims. In 2024, the Washington Court of Appeals vacated the first SVEC verdict (Erickson et al.) of US$185 million (compensatory damages of approximately US$50 million and punitive damages of approximately US$135 million), based on multiple trial errors. In October 2025, the Washington Supreme Court reversed the appellate court's decision and reinstated the jury's verdict. In December 2025, without admission of liability, Monsanto agreed to settle the Erickson case on mutually acceptable terms. In January 2026, Monsanto agreed, without admission of liability, to settle the eight remaining adverse SVEC verdicts, on mutually acceptable terms.

In October 2025, a lawsuit was filed in North Carolina by NC State University seeking damages from Monsanto related to alleged PCB contamination of a building called Poe Hall (e.g., remediation costs, demolition, replacement construction). NC State University also seeks indemnification and declaratory relief, allocating responsibility to Monsanto for potential workers' compensation claims by university employees and potential exposure claims by university students. In February 2026, a lawsuit was filed by 12 former NC State University students and employees against Monsanto claiming they had developed breast cancer and other conditions due to alleged PCB exposure at Poe Hall. These plaintiffs are seeking compensatory and punitive damages.

In 2023, a putative class action lawsuit (Neddo) was filed in the District of Vermont by a mother on behalf of her three children who attended local schools. She alleges that her children are at increased risk of cancer and non-cancer health issues from PCB exposure and seeks the cost of medical monitoring. The complaint, which was amended in 2025, identifies 46 allegedly contaminated schools, and the proposed class is defined as all individuals who attended or worked at one of the contaminated schools. There are also two pending personal injury cases involving a small number of plaintiffs related to Burlington High School and Twin Valley Elementary School.

There are additional personal injury cases stemming from non-school PCB exposure. Nine cases are pending in Massachusetts state court involving 14 plaintiffs who allege various personal injuries from alleged exposure to PCBs in or near a former General Electric landfill. A personal injury and wrongful death lawsuit involving 169 current or former employees at Clark County Government Center is pending in Nevada. These plaintiffs allege that PCBs contaminated the Center through prior operations by Union Pacific Railroad at the site. The Nevada action was dismissed by the state court, and the plaintiffs appealed. In 2024, the Nevada Supreme Court reversed the dismissal. Lastly, there are three cases involving five plaintiffs claiming injury due to exposure to PCBs near Monsanto's former Krummrich plant.

We believe that we also have meritorious defenses in these matters and intend to defend ourselves vigorously.

To recover costs associated with the PCB-related litigation, Bayer filed a complaint in 2022 in the Circuit Court of St. Louis County for the State of Missouri to enforce its rights under certain indemnity contracts. Under these contracts, the companies who purchased PCBs for use in their products agreed to indemnify Monsanto for PCB-related litigation costs, including settlements.

Shareholder litigation concerning Monsanto acquisition: In Germany and the United States, investors have filed lawsuits claiming damages suffered due to the drop in Bayer AG's share price. Plaintiffs allege that Bayer AG's capital market communication in connection with the acquisition of Monsanto was flawed and that the information provided by Bayer on the risks, in particular regarding glyphosate product liability claims in the United States, was insufficient. In the German proceedings, there were approximately 55 plaintiffs with claims pending as of December 31, 2025. In 2022, the Cologne Regional Court initiated a model case proceeding in accordance with the Capital Markets Model Case Act. This does not include a decision on the merits of the matter. In the parallel proceeding in the United States, the United States District Court for the Northern District of California, San Francisco Division, certified a class in 2023. In March 2025, following a court-induced mediation procedure, the parties to the proceeding in the United States agreed to the terms of a settlement resolving this litigation, without admission of liability. The settlement was finally approved by the United States District Court for the Northern District of California, San Francisco Division, in October 2025. It provides for an amount to be paid by the defendants, most of which is covered by insurers. Bayer continues to believe it has duly complied with its capital markets law obligations at all times in connection with the acquisition of Monsanto and its disclosures concerning glyphosate product liability claims and intends to defend itself vigorously against the claims in all shareholder lawsuits.

Notes to the Statements of Cash Flows

The statement of cash flows shows how cash inflows and outflows during the fiscal year affected the cash and cash equivalents of the Bayer Group.

Of the cash and cash equivalents, there were no significant sums that had limited availability due to foreign exchange restrictions in 2025 or 2024.

The cash flows reported by consolidated companies outside the eurozone are translated at average monthly exchange rates. Cash and cash equivalents are translated at closing rates. The “Change in cash and cash equivalents due to exchange rate movements” is reported in a separate line item. For subsidiaries with a hyperinflationary functional currency, currencies are always translated at the respective closing rates.

31. Net cash provided by (used in) operating, investing and financing activities

Net operating cash flow amounted to €5,930 million in 2025 (2024: €7,368 million). Payments to resolve legal proceedings, which primarily related to the PCB and glyphosate litigations, resulted in a net outflow of €1,175 million (2024: €461 million). That total comprised payments resulting from settlement agreements as well as court judgments. The change in other working capital is largely attributable to the noncash increase in provisions and liabilities in connection with the glyphosate and PCB litigations.

Net cash used in investing activities in 2025 amounted to €1,270 million (2024: net cash of €164 million was provided by investing activities). Net cash inflows from current financial assets totaled €696 million (2024: €2,558 million). The inflows primarily arose from the sale of investments in money market funds and were partly used to repay debt. Cash outflows for property, plant and equipment and intangible assets amounted to €2,487 million (2024: €2,778 million). Cash inflows from the sale of property, plant and equipment and other assets amounted to €415 million (2024: €295 million) and mainly resulted from the sale of product rights (€146 million) for Testoviron™, Progynova™ and Cyclo-Progynova™ in Europe/Middle East/Africa, and for Ilomedin™/Ilomedine™, as well as the divestment of production facilities and office buildings at various sites. Net cash inflows from noncurrent financial assets totaled €144 million (2024: €18 million) and were largely attributable to the sale of shares in Capstan Therapeutics, Inc., United States. Cash outflows for acquisitions, less acquired cash, amounted to €196 million (2024: €184 million) and primarily related to the acquisition of the remaining 70% interest in Natsana GmbH, Germany, in the first quarter of 2025.

There was a net cash outflow of €3,884 million for financing activities (2024: €7,178 million). This figure included net debt repayments of €2,045 million (2024: €5,018 million). Net interest payments decreased to €1,698 million (2024: €1,972 million). The Bayer Group paid out €127 million in dividends (2024: €131 million), of which €108 million to Bayer AG stockholders (2024: €108 million).

The changes in liabilities arising from financing activities in 2025 are presented in the following table:

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Liabilities from financing activities

		Cash flows[1]	Noncash changes				
€ million	Jan. 1, 2025		Acquisitions/ divestments	Currency/ other effects	New contracts IFRS 16	Fair value changes[2]	Dec. 31, 2025
Bonds and notes	38,226	(2,805)	–	(2,114)	–	3	33,310
Liabilities to banks	1,223	792	–	(158)	–	–	1,857
Lease liabilities	1,248	(410)	3	(94)	462	77	1,286
Receivables/liabilities from derivatives	(204)	(609)	–	–	–	872	59
Other financial liabilities	47	885	103	(71)	–	25	989
Total	**40,540**	**(2,147)**	**106**	**(2,437)**	**462**	**977**	**37,501**

[1] Including paid interest resulting from the unwinding of the discount on the liabilities
[2] Including changes in the carrying amounts of liabilities measured at amortized cost using the effective-interest method

The changes in liabilities arising from financing activities in 2024 were as follows:

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Liabilities from financing activities (previous year)

		Cash flows[1]	Noncash changes				
€ million	Jan. 1, 2024		Acquisitions/ divestments	Currency/ other effects	New contracts IFRS 16	Fair value changes[2]	Dec. 31, 2024
Bonds and notes	40,852	(3,828)	–	1,145	–	57	38,226
Liabilities to banks	784	468	–	(29)	–	–	1,223
Lease liabilities	1,238	(434)	1	35	331	77	1,248
Receivables/liabilities from derivatives	174	406	–	–	–	(784)	(204)
Other financial liabilities	1,915	(1,874)	–	(57)	–	63	47
Total	**44,963**	**(5,262)**	**1**	**1,094**	**331**	**(587)**	**40,540**

[1] Including paid interest resulting from the unwinding of the discount on the liabilities
[2] Including changes in the carrying amounts of liabilities measured at amortized cost using the effective-interest method

Other Information

32. Audit fees

Silvia Geberth signed the Independent Auditor's Report for the first time for the year ended December 31, 2024, and Andreas Wermelt for the first time for the year ended December 31, 2022. The auditor responsible for the audit is Silvia Geberth.

The following fees for the services of the worldwide network of Deloitte or Deloitte GmbH Wirtschaftsprüfungsgesellschaft (Deloitte GmbH WPG) were recognized as expenses:

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Audit fees

	Deloitte		of which Deloitte GmbH WPG	
€ million	2024	2025	2024	2025
Financial statements auditing	16	16	7	7
Audit-related services and other audit work	1	3	1	1
Tax consultancy	–	–	–	–
Other services	1	–	–	–
Total	**18**	**19**	**8**	**8**

The fees for the financial statements audit services of Deloitte GmbH Wirtschaftsprüfungsgesellschaft primarily comprised those for the audits of the Consolidated Financial Statements of the Bayer Group and of the financial statements of Bayer AG and its subsidiaries. The audit-related services and other audit work performed by Deloitte GmbH Wirtschaftsprüfungsgesellschaft in 2025 mainly concerned voluntary financial statements auditing for subsidiaries. Audit reviews of interim financial statements were also conducted.

33. Related parties

Related parties as defined in IAS 24 are those legal entities, natural persons and close members of their family that are able to exert influence on Bayer AG and its subsidiaries or over which Bayer AG or its subsidiaries exercise control or joint control or have a significant influence. They include, in particular, nonconsolidated subsidiaries accounted for at fair value, joint ventures and associates accounted for at fair value or using the equity method, and post-employment benefit plans. Related parties also include the corporate officers of Bayer AG whose compensation is reported in Note [34] and in the Compensation Report, which is available at www.bayer.com/cpr.

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Related parties

€ million	Sales of goods and services 2024	Sales of goods and services 2025	Purchase of goods and services 2024	Purchase of goods and services 2025	Receivables 2024	Receivables 2025	Liabilities 2024	Liabilities 2025
Nonconsolidated subsidiaries, joint ventures and associates that are immaterial	49	50	1	45	71	62	28	22
Joint ventures	16	20	–	–	16	18	–	–
Associates	–	–	–	–	1	–	5	1
Post-employment benefit plans	–	–	–	–	1,438	1,444	139	165

Intercompany profits and losses for companies accounted for in the Consolidated Financial Statements using the equity method were immaterial in 2025 and 2024.

Bayer AG has undertaken to provide jouissance right capital (Genussrechtskapital) in the form of an interest-bearing loan with a nominal volume of €150 million (2024: €150 million) for Bayer-Pensionskasse VVaG. The entire amount remained drawn as of December 31, 2025. The carrying amount was €154 million (2024: €152 million). The loan capital provided to Bayer-Pensionskasse VVaG for its effective initial fund had a nominal volume of €1,135 million as of December 31, 2025 (December 31, 2024: €1,135 million). The carrying amount was €1,146 million (2024: €1,145 million). The outstanding receivables, comprised of different tranches, are each subject to a five-year interest-rate adjustment mechanism. Interest income of €39 million was recognized in 2025 (2024: €38 million) along with gains of €3 million (2024: €13 million) due to fair value changes.

There was also an effective initial fund to start up business operations (unchanged at €3 million) of Rheinische Pensionskasse VVaG as well as retroactive loan capital for its effective initial fund with a carrying amount of €62 million (2024: €60 million). Interest income of €2 million was recognized in 2025 (2024: €2 million) along with losses of €1 million (2024: €1 million) due to fair value changes.

In 2025, an amount of €323 million was reimbursed by pension vehicles, in part for pension payments made by Group companies in 2025.

In 2024, government bonds totaling €300 million were transferred to Bayer Pension Trust e. V. (BPT), Germany, and an amount of €116 million was withdrawn at BPT from the excess of assets over liabilities for long-term accounts (“BayZeit”).

Other operating income of €17 million was recognized in 2024 due to fully impaired receivables from the nonconsolidated subsidiary Bayer S.A., Venezuela, having already been paid in previous years.

There were no material impairment losses on receivables from related parties in 2025 or 2024.

34. Total compensation of the Board of Management and the Supervisory Board, advances and loans

In 2025, the compensation of the Board of Management and the Supervisory Board according to the IFRS accounting standards totaled €37,240 thousand (2024: €18,797 thousand). The compensation of the Supervisory Board amounted to €5,210 thousand (2024: €5,050 thousand) and was comprised entirely of short-term non-performance-related components.

The table below shows the individual components of Board of Management compensation in accordance with the IFRS accounting standards:

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Board of Management compensation according to IFRS

€ thousand	2024	2025
Base compensation	7,203	7,315
Fringe benefits	637	889
Pension installment	1,769	1,832
Total short-term non-performance-related compensation	**9,609**	**10,036**
Short-term performance-related cash compensation	5,040	7,956
Total short-term compensation	**14,649**	**17,992**
Stock-based compensation (Aspire) earned in the respective year	1,599	10,461
Change in value of existing entitlements to stock-based compensation (Aspire)	(1,897)	2,969
Stock-based compensation (Aspire) forfeited upon stepping down from the Board of Management	(1,133)	–
Total stock-based compensation (long-term incentive)	**(1,431)**	**13,430**
Service cost for pension entitlements earned in the respective year	529	608
Total long-term compensation	**(902)**	**14,038**
Total compensation (IFRS)	**13,747**	**32,030**

Total compensation of the Board of Management and Supervisory Board according to the German Commercial Code (HGB) amounted to €34,726 thousand (2024: €30,737 thousand), with the Board of Management accounting for €29,516 thousand (2024: €25,687 thousand) and the Supervisory Board for €5,210 thousand (2024: €5,050 thousand). The compensation of the Board of Management comprised short-term non-performance-related compensation of €10,036 thousand (2024: €9,609 thousand), short-term performance-related cash compensation of €7,956 thousand (2024: €5,040 thousand), and long-term stock-based cash compensation (Aspire) of €11,524 thousand (2024: €11,038 thousand).
The compensation of the Supervisory Board comprised attendance fees of €443 thousand (2024: €357 thousand), compensation for committee duties of €1,087 thousand (2024: €1,012 thousand) and fixed compensation of €3,680 thousand (2024: €3,681 thousand).

Pension payments to former members of the Board of Management and their surviving dependents in 2025 amounted to €14,080 thousand (2024: €13,629 thousand). According to the IFRS accounting standards, the defined benefit obligation for former members of the Board of Management and their surviving dependents amounted to €171,054 thousand (2024: €184,629 thousand).

There were no advances or loans to members of the Board of Management or the Supervisory Board outstanding as of December 31, 2025, or at any time during 2025 or 2024. No contingent liabilities were entered into for these individuals.

Further information on the compensation of the Board of Management and Supervisory Board is provided in the Compensation Report, which is publicly accessible at www.bayer.com/cpr.

35. Events after the end of the reporting period

Financing activities

In January 2026, commercial paper was issued by Bayer AG with a nominal volume of €255 million and by Bayer Corporation, United States, in a nominal amount of US$530 million (€445 million), respectively.

In February 2026, Bayer AG and Bayer US Finance LLC, United States, jointly signed an US$8 billion bank loan facility. The facility has a tenor of one year, plus two six-month extension options. Repayment of drawings against this facility by Bayer US Finance LLC is guaranteed by Bayer AG. The participating banks are entitled to terminate the credit facility in the event of a change of control at Bayer and demand repayment of any loans that may have been granted under this credit facility up to that time.

Divestments

On February 2, 2026, we completed the sale of the Avalox™ antibiotics business. The sales price for the global Avalox™ business, with China as its main market, came to €250 million and resulted in other operating income in the same amount.

Resolution of a licensing agreement

In January 2026, Bayer reached an agreement to resolve a dispute regarding the use of its proprietary technology and received €448 million. This will be recognized as licensing revenue in the first quarter of 2026 under the Soybean Seed & Traits strategic business entity within Crop Science.

Leverkusen, February 27, 2026
Bayer Aktiengesellschaft

The Board of Management

Bill Anderson	Wolfgang Nickl	Stefan Oelrich
Heike Prinz	Rodrigo Santos	Julio Triana

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable accounting principles, the Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Bayer Group, and the Combined Management Report includes a fair review of the development and performance of the business and the position of the Bayer Group and Bayer AG, together with a description of the principal opportunities and risks associated with the expected development of the Bayer Group and Bayer AG.

Leverkusen, February 27, 2026
Bayer Aktiengesellschaft

The Board of Management


Bill Anderson


Wolfgang Nickl


Stefan Oelrich


Heike Prinz


Rodrigo Santos


Julio Triana

Independent Auditor's Report

To Bayer Aktiengesellschaft, Leverkusen/Germany

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

Audit Opinions

We have audited the consolidated financial statements of Bayer Aktiengesellschaft, Leverkusen/Germany, and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2025, the consolidated income statements and the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for the financial year from January 1 to December 31, 2025, and the notes to the consolidated financial statements, including material accounting policy information. We have not audited the content of the compensation report in accordance with Section 162 German Stock Corporation Act (AktG) referenced in sections 23, 33 and 34 of the notes to the consolidated financial statements. In addition, we have audited the combined management report for the parent and the group of Bayer Aktiengesellschaft, Leverkusen/Germany, for the financial year from January 1 to December 31, 2025. In accordance with the German legal requirements, we have not audited the content of those parts of the combined management report set out in the appendix to the auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

// the accompanying consolidated financial statements comply, in all material respects, with the IFRS® Accounting Standards issued by the International Accounting Standards Board (IASB) (hereinafter "IFRS Accounting Standards") as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) German Commercial Code (HGB) and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at December 31, 2025 and of its financial performance for the financial year from January 1 to December 31, 2025; our audit opinion on the consolidated financial statements does not cover the content of the compensation report referred to above.

// the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the combined management report does not cover the content of those parts of the combined management report set out in the appendix to the auditor's report.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation (No. 537/2014; referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). We performed the audit of the consolidated financial statements in supplementary compliance with the International Standards on Auditing (ISA). Our responsibilities under those requirements, principles and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law and the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for

Accountants (IESBA Code), and we have fulfilled our other German professional responsibilities in accordance with these requirements and the IESBA Code. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the combined management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from January 1 to December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In the following we present the key audit matters we have determined in the course of our audit:

1. recoverability of goodwill and other intangible assets
2. presentation of risks arising from product-related legal disputes

Our presentation of these key audit matters has been structured as follows:

a) description (including reference to corresponding information in the consolidated financial statements)
b) auditor's response

1. Recoverability of Goodwill and Other Intangible Assets

a) In the consolidated financial statements of Bayer Aktiengesellschaft, an amount of EUR 28,061 million (27% of total assets) is reported under the "Goodwill" item of the statements of financial position. The "Other intangible assets" item includes patents and technologies of EUR 9,501 million (9% of total assets), trademarks of EUR 5,357 million (5% of total assets) and research and development projects of EUR 2,531 million (2% of total assets). In addition, there are marketing and distribution rights, production rights and other rights, as well as advance payments, of EUR 3,233 million (3% of total assets). The Company allocates goodwill to the reporting segments within the Bayer Group. Regular impairment tests of goodwill and research and development projects, as well as ad-hoc impairment tests of other intangible assets, are performed by comparing the carrying amounts with the respective recoverable amounts. The recoverable amount is generally determined on the basis of the fair value less costs to sell. The determination is based on capital value-oriented methods, as market values for the individual strategic business entities are usually not available. The fair value is calculated using discounted cash flow models based on the Bayer Group's medium-term plans prepared by the executive directors, which are extrapolated on the basis of assumptions regarding long-term growth rates. The discounting is based on the weighted average cost of capital of the respective cash-generating unit. The result of this valuation is highly dependent on the executive directors' assessment of the future cash inflows of the respective cash-generating unit (usually the strategic business unit or product family) and the discount rate applied, and is therefore subject to considerable uncertainty. Against this background and due to the underlying complexity of the valuation models, this matter was particularly relevant in the context of our audit.

   The information provided by the executive directors on goodwill and other intangible assets is included in sections 3 and 14 of the notes to the consolidated financial statements.

b) As part of our audit, we reconstructed the methodology used to perform the impairment tests and assessed the determination of the weighted cost of capital, among other things. We satisfied ourselves as to the appropriateness of the future cash inflows used in the valuation by means of a walkthrough and critical assessment of the underlying planning process, among other things. We also assessed the appropriateness of the future cash flows used in the valuation in particular by comparing this information with the Company's medium-term plans and

checking selected planning assumptions against general and industry-specific market expectations. We thoroughly examined the parameters used to determine the discount rate applied and assessed the completeness and accuracy of the calculation model. In addition, due to the material significance of goodwill, we also performed our own sensitivity analyses for the reportable segments (carrying amount compared to the recoverable amount). We also consulted internal specialists from the valuation and modeling department for individual areas of the audit.

2. Presentation of Risks Arising from Product-Related Legal Disputes

a) Entities of the Bayer Group are involved in both court and out-of-court proceedings with public authorities, competitors and other parties. These proceedings result in legal risks, in particular in the areas of product liability, competition and anti-trust law, patent law, tax law and environmental protection.

Lawsuits seeking compensatory and punitive damages have been brought in the US against Monsanto Company, St. Louis/US, (Monsanto), a subsidiary of Bayer Aktiengesellschaft, among others. In one of these litigations, the plaintiffs allege that they were exposed to glyphosate-based products manufactured by Monsanto and that the exposure to these products resulted in personal injuries. Monsanto has also been named in lawsuits brought by various governmental entities in the US, which claim that Monsanto and its predecessor companies, as manufacturers of PCBs, are responsible for a variety of damages due to PCBs in the environment, including in bodies of water. In addition, Monsanto is facing several lawsuits alleging personal injury and property damage from the use of and exposure to PCB products. In the above-mentioned litigations, Bayer has successively concluded settlement agreements of varying scope with some of the plaintiffs or plaintiffs' attorneys since 2020 to resolve parts of the litigations concerned.

Whether and to what extent it is necessary to recognize provisions to cover the risks arising from one or more of these legal disputes is highly dependent on the assessments and discretionary assumptions made by the executive directors. Against this background and due to the amounts involved in the claims asserted, we considered the above-mentioned product-related disputes of the Bayer Group particularly relevant to the audit.

The disclosures and explanations provided by the executive directors on the legal disputes referred to above are included in section 30 of the notes to the consolidated financial statements.

b) As part of our audit, we assessed, among other things, the process established by the Company for recognizing court and out-of-court proceedings, estimating their outcomes and appropriately presenting legal disputes in the statements of financial position. In addition, we held regular discussions with the Company's internal legal department to have current developments and reasons underlying the estimates of the expected outcomes of the proceedings explained to us. We critically examined and assessed the respective explanations and the information and evidence received. We also checked the recognition and valuation of provisions for settlement agreements in the main litigations, some of which have already been concluded, by performing sample-based comparisons with the underlying settlement agreements. The developments in the main legal disputes, including estimates of the possible outcome of the proceedings, were provided to us in writing by the Company. As at the reporting date, we also obtained and critically assessed external attorney confirmations. In addition, taking into account the estimates made by the Company, we critically assessed the assumptions underlying the provisions for expected defense costs and verified the plausibility of the amount of the provisions based on experience from similar proceedings in the past and other evidence.

Other Information

The executive directors and/or the supervisory board are responsible for the other information. The other information comprises

// the report of the supervisory board,
// the foreword to the compensation report,
// the compensation report,
// the unaudited content of the combined management report specified in the appendix to the auditor's report,
// the executive directors' confirmations pursuant to Section 297 (2) sentence 4 and Section 315 (1) sentence 5 HGB regarding the consolidated financial statements and the combined management report,
// all other parts of the annual report,
// but not the consolidated financial statements, not the audited content of the disclosures in the combined management report and not our auditor's report thereon.

The supervisory board is responsible for the report of the supervisory board and the foreword to the compensation report. The executive directors and the supervisory board are responsible for the declaration on the German Corporate Governance Code in accordance with Section 161 AktG, which is part of the corporate governance statement included in the "Corporate Governance Report" section of the combined management report, and for the compensation report. Otherwise, the executive directors are responsible for the other information.

Our audit opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information identified above and, in doing so, to consider whether the other information

// is materially inconsistent with the consolidated financial statements, with the audited content of the disclosures in the combined management report or our knowledge obtained in the audit, or
// otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Combined Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS® Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB, and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the combined management report that as a whole provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) and in supplementary compliance with the ISA will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of internal control or these arrangements and measures of the Group.
- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS® Accounting Standards as adopted by the EU and with the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- plan and perform the audit of the consolidated financial statements in order to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, which serves as a basis for forming audit opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and review of the audit procedures performed for the purposes of the group audit. We remain solely responsible for our audit opinions.
- evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- perform audit procedures on the prospective information presented by the executive directors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the current period and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the Assurance on the Electronic Reproductions of the Consolidated Financial Statements and of the Combined Management Report Prepared for Publication Pursuant to Section 317 (3a) HGB

Assurance Opinion

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance whether the electronic reproductions of the consolidated financial statements and of the combined management report (hereinafter referred to as "ESEF documents") prepared for publication, contained in the file, which has the SHA-256 value: d44256d14f6c9a8b27f82c204a9476a3ccc5b5ce87c76d3ebd172598a75e6b80, meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB ("ESEF format"). In accordance with the German legal requirements, this assurance work only covers the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format, and therefore covers neither the information contained in these electronic reproductions nor any other information contained in the file identified above.

In our opinion, the electronic reproductions of the consolidated financial statements and of the combined management report prepared for publication contained in the file identified above meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB. Beyond this assurance opinion and our audit opinions on the accompanying consolidated financial statements and on the accompanying combined management report for the financial year from January 1 to December 31, 2025 contained in the "Report on the Audit of the Consolidated Financial Statements and of the Combined Management Report" above, we do not express any assurance opinion on the information contained within these electronic reproductions or on any other information contained in the file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the electronic reproductions of the consolidated financial statements and of the combined management report contained in the file identified above in accordance with Section 317 (3a) HGB and on the basis of the IDW Assurance Standard: Assurance Work on the Electronic Reproductions of Financial Statements and Management Reports Prepared for Publication Purposes Pursuant to Section 317 (3a) HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibilities in this context are further described in the "Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm has applied the requirements of the IDW Quality Management Standards.

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents based on the electronic files of the consolidated financial statements and of the combined management report according to Section 328 (1) sentence 4 no. 1 HGB and for the tagging of the consolidated financial statements according to Section 328 (1) sentence 4 no. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements for the electronic reporting format pursuant to Section 328 (1) HGB.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also

- identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- evaluate the technical validity of the ESEF documents, i.e., whether the file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version in force at the reporting date, on the technical specification for this electronic file.
- evaluate whether the ESEF documents enable an XHTML reproduction with content equivalent to the audited consolidated financial statements and to the audited combined management report.
- evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the reporting date, enables an appropriate and complete machine-readable XBRL copy of the XHTML reproduction.

Further Information Pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the stockholders' meeting on April 25, 2025. We were engaged by the supervisory board on June 4, 2025. We have been the group auditor of Bayer Aktiengesellschaft, Leverkusen/Germany, without interruption since the financial year 2017.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

OTHER MATTER – USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as with the assured ESEF documents. The consolidated financial statements and the combined management report converted into the ESEF format – including the versions to be submitted for inclusion in the Company Register – are merely electronic reproductions of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Silvia Geberth.

Munich/Germany, March 2, 2026

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Signed:
Andreas Wermelt
Wirtschaftsprüfer
(German Public Auditor)

Signed:
Silvia Geberth
Wirtschaftsprüferin
(German Public Auditor)

Appendix to the Auditor's Report:
Parts of the Combined Management Report Whose Content Is Unaudited
We have not audited the content of the following parts of the combined management report:

// the disclosures contained in the "About this Report" section to which reference is made in the combined management report,
// the statements made on the appropriateness and operating effectiveness of internal control (ICS) and the risk management system (RMS) in accordance with Recommendation A.5 of the GCGC contained in section 3.2.1 of the combined management report under "Assessment of the risk management and internal control system pursuant to Section 91, Paragraph 3 of the German Stock Corporation Act,"
// the disclosures contained in section 4 of the combined management report under "Sustainability Statement,"
// the corporate governance statement in accordance with Section 289f and Section 315d HGB contained in section 5.1 of the combined management report,
// the non-financial and other disclosures of Bayer AG contained in section 6.4 of the combined management report,
// all cross-references to web pages of the Company and the information to which these cross-references refer.

Assurance report of the Independent German Public Auditor on a limited assurance engagement in relation to the Consolidated Sustainability Statement

To Bayer Aktiengesellschaft, Leverkusen/Germany

Assurance Conclusion

We have conducted a limited assurance engagement on the Consolidated Sustainability Statement of Bayer Aktiengesellschaft, Leverkusen/Germany, for the financial year from January 1 to December 31, 2025, included in section “Sustainability Statement” of the combined management report for the parent and the group. The Consolidated Sustainability Statement was prepared to fulfill the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of December 14, 2022 (Corporate Sustainability Reporting Directive, CSRD) and Article 8 of Regulation (EU) 2020/852 and Sections 315b and 315c German Commercial Code (HGB) for a consolidated non-financial statement.

References to information provided by the Company outside the combined management report were not subject to our assurance engagement.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the accompanying Consolidated Sustainability Statement is not prepared, in all material respects, in accordance with the requirements of the CSRD and Article 8 of Regulation (EU) 2020/852, Sections 315b and 315c HGB for a consolidated non-financial statement, and the specifying criteria presented by the executive directors of the Company. This assurance conclusion includes that nothing has come to our attention that causes us to believe

// that the accompanying Consolidated Sustainability Statement does not comply, in all material respects, with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the entity to identify information to be included in the Consolidated Sustainability Statement (the materiality assessment) is not, in all material respects, in accordance with the description set out in section “Description of the processes to identify and assess material impacts, risks and opportunities” of the Consolidated Sustainability Statement, or
// that the disclosures in the Consolidated Sustainability Statement do not comply, in all material respects, with Article 8 of Regulation (EU) 2020/852.

We do not express an assurance conclusion on the above-mentioned parts of the Consolidated Sustainability Statement that were not covered by our assurance engagement.

Basis for the Assurance Conclusion

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information,” issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) are further described in section "German Public Auditor's Responsibilities for the Assurance Engagement on the Consolidated Sustainability Statement."

We are independent of the entity in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. Our audit firm has applied the requirements of the IDW Quality Management Standards and of the International Standard on Quality Management (ISQM) 1 issued by the IAASB. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Sustainability Statement

The executive directors are responsible for the preparation of the Consolidated Sustainability Statement in accordance with the requirements of the CSRD and the applicable German legal and other European requirements as well as with the specifying criteria presented by the executive directors of the Company and for designing, implementing and maintaining such internal control as they have considered necessary to enable the preparation of a consolidated sustainability statement in accordance with these requirements that is free from material misstatement, whether due to fraud (i.e., fraudulent reporting in the Consolidated Sustainability Statement) or error.

This responsibility of the executive directors includes establishing and maintaining the materiality assessment process, selecting and applying appropriate reporting policies for preparing the Consolidated Sustainability Statement as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.

The supervisory board is responsible for overseeing the process for the preparation of the Consolidated Sustainability Statement.

Inherent Limitations in Preparing the Consolidated Sustainability Statement

The CSRD and the applicable German legal and other European requirements contain wording and terms that are subject to considerable interpretation uncertainties and for which no authoritative comprehensive interpretations have yet been published. The executive directors have disclosed interpretations of such wording and terms in the Consolidated Sustainability Statement. The executive directors are responsible for the reasonableness of these interpretations. As such wording and terms may be interpreted differently by regulators or courts, the legality of measurements or evaluations of the sustainability matters based on these interpretations is uncertain. The quantification of non-financial performance indicators disclosed in the Consolidated Sustainability Statement is also subject to inherent uncertainties.

These inherent limitations also affect the assurance engagement on the Consolidated Sustainability Statement.

German Public Auditor's Responsibilities for the Assurance Engagement on the Consolidated Sustainability Statement

Our objective is to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the Consolidated Sustainability Statement has not been prepared, in all material respects, in accordance with the CSRD, the applicable German legal and other European requirements and the specifying criteria presented by the executive directors of the Company and to issue an assurance report that includes our assurance conclusion on the Consolidated Sustainability Statement.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgment and maintain professional skepticism. We also

// obtain an understanding of the process used to prepare the Consolidated Sustainability Statement, including the materiality assessment process carried out by the entity to identify the disclosures to be reported in the Consolidated Sustainability Statement.
// identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. In addition, the risk of not detecting a material misstatement in information obtained from sources not within the entity's control (value chain information) is ordinarily higher than the risk of not detecting a material misstatement in information obtained from sources within the entity's control, as both the entity's executive directors and we as practitioners are ordinarily subject to restrictions on direct access to the sources of the value chain information.
// consider the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

Summary of the Procedures Performed by the German Public Auditor

A limited assurance engagement involves the performance of procedures to obtain evidence about the sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgment.

In performing our limited assurance engagement, we:

// evaluated the suitability of the criteria as a whole presented by the executive directors in the Consolidated Sustainability Statement.
// inquired of the executive directors and relevant employees involved in the preparation of the Consolidated Sustainability Statement about the preparation process, including the materiality assessment process carried out by the entity to identify the disclosures to be reported in the Consolidated Sustainability Statement, and about the internal controls related to this process.
// evaluated the reporting policies used by the executive directors to prepare the Consolidated Sustainability Statement.
// evaluated the reasonableness of the estimates and related information provided by the executive directors. If, in accordance with the ESRS, the executive directors estimate the value chain information to be reported for a case in which the executive directors are unable to obtain the information from the value chain despite making reasonable efforts, our assurance engagement is limited to evaluating whether the executive directors have undertaken these estimates in accordance with the ESRS and assessing the reasonableness of these estimates, but does not include identifying information in the value chain that the executive directors were unable to obtain.
// performed analytical procedures or tests of details and made inquiries in relation to selected information in the Consolidated Sustainability Statement.
// conducted site visits.
// considered the presentation of the information in the Consolidated Sustainability Statement.
// considered the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Consolidated Sustainability Statement.

Restriction of Use

We issue this report as stipulated in the engagement letter agreed with the Company (including the "General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms)" dated January 1, 2024 of the Institut der Wirtschaftsprüfer (IDW)). We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Consequently, it may not be suitable for any other than the aforementioned purpose. Accordingly, the report is not intended to be used by third parties as a basis for making (financial) decisions.

Our responsibility is to the Company alone. We do not accept any responsibility to third parties. Our assurance conclusion is not modified in this respect.

Düsseldorf/Germany, March 2, 2026

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Signed:
Andreas Wermelt
Wirtschaftsprüfer
(German Public Auditor)

Signed:
Silvia Geberth
Wirtschaftsprüferin
(German Public Auditor)

C Compensation Report

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Foreword by the Chairman of the Supervisory Board

"Stockholder engagement, feedback and voting guides our commitment to pursuing a responsible and transparent compensation policy that is aligned with long-term business success."



Prof. Dr. Norbert Winkeljohann, Chairman of the Supervisory Board of Bayer AG

Dear stockholders,

On behalf of the Supervisory Board of Bayer AG, I am pleased to present our Compensation Report for 2025.

In my Foreword to this year's report, I would like to summarize the key areas of focus for the Supervisory Board and the Human Resources and Compensation Committee in 2025 in relation to Board of Management compensation. This included engaging with investors ahead of the 2025 Annual Stockholders' Meeting and undertaking a mid-cycle review of the Board of Management compensation system. We also conducted our annual review of the appropriateness of Board of Management compensation to ensure it is aligned with current market practice and stockholder interests.

2025 Annual Stockholders' Meeting results

At the 2025 Annual Stockholders' Meeting, our Compensation Report for 2024 received 67.36% support, which was below our expectations. We take this vote seriously and, following discussion with 21 of our shareholders representing 33.4% of shares outstanding, have analyzed the feedback received. We have summarized the key feedback and our considerations in the following sections.

Mid-cycle review

Stockholders have generally expressed continued support for the core design of our compensation system (aligned with the 93.21% approval received for the system at the 2024 Annual Stockholders' Meeting), highlighting in particular that the metrics used in both the short- and long-term incentive plans remain well aligned with Bayer's strategy and with stockholder interests. There was also broad recognition of the positive enhancements implemented in the revised compensation system submitted to the 2024 Annual Stockholders' Meeting based on prior feedback, such as the inclusion of litigation payouts in the free cash flow metric in the short-term incentive (STI), the establishment of financial targets set at or above capital-market guidance and the requirement for 60th-percentile performance to achieve target payout under the relative total shareholder return (TSR) metric for the long-term incentive (LTI) plan.

At the same time, areas of feedback were raised. In particular, investors provided feedback on the link between pay and performance in variable compensation (STI and LTI), the potential for additional transparency around the application of the strategy development and execution factor in the STI, and the level of pension benefits.

As previously communicated, to ensure continued alignment with stockholder expectations and to address previous feedback on the Compensation Report for 2024, we undertook a mid-cycle review of the compensation system in 2025. This review was conducted through a detailed assessment of market practice and global peers. The Supervisory Board discussed the merits of potential adjustments while also evaluating which changes could be implemented within the current framework and which would require a new system.

This mid-cycle review made it clear that most concerns relate to the application of the system in 2024 and the level of transparency in the 2024 Compensation Report, rather than to the underlying design of the compensation system itself. As a result, the Supervisory Board determined there to be no changes to the compensation system arising from the mid-cycle review. The Supervisory Board will continue to thoughtfully undertake decisions to ensure alignment of pay to performance.

Design of the compensation system

Some of the feedback received after the 2025 Annual Stockholders' Meeting related to potential future updates to the design of the compensation system. This included suggestions to further increase the rigor of the relative TSR curve, to re-examine the peer group used for relative TSR, and to evaluate the overall compensation target structure, particularly the proportion allocated to pension benefits. These perspectives were not shared by all stockholders, and the majority continued to indicate that they were pleased with the design of our system.

As part of the mid-cycle review, the Supervisory Board undertook a detailed review of these points. In assessing the system's design features against market practices, specifically among DAX-listed companies and comparable international peers, the Supervisory Board's review determined that Bayer's compensation system design and target structure are broadly aligned with market standards and support an appropriate risk profile that does not encourage excessive risk-taking. This assessment also covers the metrics and financial targets used in the STI and the continued emphasis on relative TSR performance in the LTI, as well as on pension payment levels. In addition, after reviewing different indices for use in assessing relative TSR performance under the LTI, the conclusion was that the EURO STOXX 50 Total Return most effectively mirrors Bayer's competitive environment while also adequately reflecting our broad product range.

Specifically on the payout curve for the relative TSR component of the LTI, a subset of investors noted a preference for no payout for below-median performance. Bayer's review found that the current payout curve is aligned with large global companies and is more ambitious than the majority of DAX companies. The Supervisory Board determined to maintain the current payout curve, which allows for partial attainment for performance between the 25th and 60th percentile, to ensure our ability to attract and retain talent is not impacted.

Against this background, and consistent with the discussions held with stockholders, the Supervisory Board concluded to maintain the current system at this time. Bayer will continue to engage with stockholders and to evaluate feedback regarding the system and its implementation.

Application of the compensation system for 2025

While stockholders supported the system overall, some who did not support the 2024 Compensation Report shared feedback on certain elements of the way the compensation system was applied in 2024. This input primarily concerned the STI payouts and, in particular, the determination of the factor for strategy development and execution. These stockholders expressed a preference for the Supervisory Board to further reduce STI payouts below the levels determined by the STI formula, which ranged from 71.9 to 79.1% of target.

The Supervisory Board set ambitious targets for variable compensation in line with our company's transformation goals for 2025. For the individual 2025 strategy development and execution factors, the Supervisory Board also set detailed and objective goals which align to the priorities of our business and directly impact our long-term strategy. For the financial metrics in the STI (core EPS, free cash flow, and currency- and portfolio-adjusted sales growth), the target values set for 2025 were at the upper end of our capital market guidance. While certain targets were set below the target values for the previous year due to the economic factors expected to impact Bayer in 2025, they were set at an ambitious level to drive performance while also remaining attainable, thereby helping to foster motivation and ensure the Board of Management remain focused on our goals during this phase of transformation. The Compensation Report outlines the various aspects that were taken into account with respect to the individual targets (see Section 1.2.3 onwards).

2025 performance

2025 was the second year of our three-year transformation program, aimed at driving earnings growth and strengthening Bayer's long-term competitive profile. We remain firmly on track. In July, we upgraded our full-year guidance, lifting our forecast for currency-adjusted Group sales and earnings and raising our core earnings per share forecast to between €4.80 and €5.30.

In our divisions, performance developments were encouraging. Crop Science delivered solid momentum thanks to strong demand in Corn Seeds & Traits, especially in North America and Latin America, while Soybean Seed & Traits and Insecticides were impacted by regulatory headwinds. Consumer Health saw a challenging market environment and a weaker allergy season than expected, but early signals indicate that our investments and portfolio strategy are beginning to pay off. Pharmaceuticals achieved topline growth driven by strong uptake of Nubeqa™ and Kerendia™. In addition, our global Phase III study "OCEANIC-STROKE" delivered positive topline results in November, underlining the strategic potential of asundexian for secondary stroke prevention.

On the legal front, we also made important progress. The US Solicitor General supports US Supreme Court review of the petition for a writ of certiorari in the Durnell case and agrees with the company's arguments on preemption. As part of the company's multi-pronged strategy, a positive ruling on the central, cross-cutting preemption issue could help bring the company closer to closure of tens of thousands of Roundup™ cases. In addition to this, we recently achieved another important development. Monsanto announced a proposed US nationwide class settlement designed to resolve current and future Roundup™ claims alleging non-Hodgkin lymphoma (NHL) injuries through a long-term claims program. Leading plaintiff law firms representing the class filed a motion seeking preliminary approval of the settlement at a court in Missouri. The proposed class combined with Supreme Court review in the Durnell case are independently necessary and mutually reinforcing steps in the company's multi-pronged strategy designed to significantly contain the Roundup™ litigation, providing an essential path out of the litigation uncertainty.

These combined developments are reflected in our share-price performance and reinforce our confidence that — as we continue to execute on our strategic priorities, launch new products and navigate a volatile global environment — Bayer remains on the right track.

In the context of this performance, the payout factor for the STI came in at 110.0%. This was calculated based on three equally weighted components: core earnings per share, free cash flow, and currency- and portfolio-adjusted sales growth. Core earnings per share amounted to €4.91, resulting in target attainment of 115.7%. Free cash flow came in at €2,084 million for 2025, in line with our guidance and our ambitious target, resulting in target attainment of 82.5%. In addition, currency- and portfolio-adjusted sales growth for 2025 stood at 1.11%, corresponding to target attainment of 131.9%. As for the LTI, the payout factor for the 2022 tranche at the end of the four-year performance period amounted to 28.4%. The low LTI payout factor reflects Bayer's share price performance during the period January 1, 2022, to December 31, 2025, both in absolute terms and relative to the EURO STOXX 50 Total Return, as well as the fact that the cost of capital (ROCE) targets were not met.

Board of Management compensation review

In accordance with Section 87 of the German Stock Corporation Act (AktG), each year the Supervisory Board undertakes a comprehensive review of the compensation levels of the Board of Management. With regards to target pay levels, the annual compensation review considered a comparison of the pay levels and structure for DAX-listed companies and comparable international peers. The results determined that Bayer is generally in line with its peers with respect to compensation levels for ordinary (non-CEO) Board of Management members. Therefore, a moderate increase in base pay of 3% was implemented in line with the general market development. Furthermore, there was no increase in base pay or target compensation in 2025 for our CEO, Bill Anderson.

Reporting and disclosures

We have received positive feedback from stockholders for the quality of our reporting and disclosures, which is perceived by many to exceed market standards. We also appreciate that the transparency of our reporting on the individual targets could be further improved and, as such, we have enhanced these aspects in the 2025 Compensation Report. We will continue to focus on increasing transparency and providing greater clarity around our pay-for-performance approach.

2026 Corporate Governance Roadshow

The results of the mid-cycle review of the compensation system were discussed and verified with 21 of our stockholders representing 33.4% of shares outstanding during our Corporate Governance Roadshow in January 2026. As Chairman of the Supervisory Board, I was pleased to lead many of these discussions. These meetings provided us with valuable input as we finalized the compensation decisions for 2025 and prepared our disclosures relating to the compensation system.

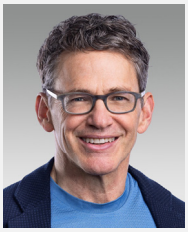
Conclusion

I'd like to conclude by expressing how important it is to the Supervisory Board that our compensation system is well received by stockholders and functions effectively. We value the dialogue with our stockholders and are grateful for the positive feedback overall that we have received for our reporting and disclosures. Our compensation system has proven to be effective, but we will nonetheless continue our efforts to optimize its design and application while taking into account stockholder feedback. On behalf of the Supervisory Board, I would like to express our appreciation for your constructive feedback and support for the 2025 Compensation Report. Additional information on these and other compensation-related topics can be found in the 2025 Compensation Report and in the Notice of the Annual Stockholders' Meeting for 2026.

Prof. Dr. Norbert Winkeljohann
Chairman of the Supervisory Board

Overview of Compensation in 2025

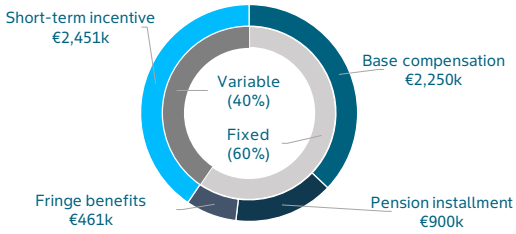
Compensation-related decisions in 2025



Bill Anderson
Chairman of the Board of Management (CEO)
Member of the Board of Management since April 2023
CEO since June 2023
Appointment runs until March 2029

// Target total compensation unchanged
// STI: Group target attainment at 110% and individual factor for strategy development and execution at 1.1, resulting in overall target attainment of 121% for the STI
// LTI 2022: No payout since tranche was allocated prior to him joining Bayer AG
// New tranche of virtual shares allocated as part of LTI 2025, with payout to be made after 2028

Compensation awarded and due in 2025
€6,062k

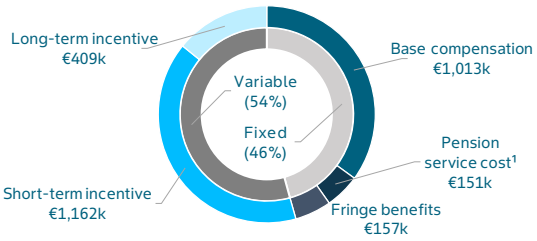




Wolfgang Nickl
Member of the Board of Management (CFO)
Member of the Board of Management since April 2018
CFO since June 2018
Appointment runs until May 2026

// Target total compensation increased by 3%
// STI: Group target attainment at 110% and individual factor for strategy development and execution at 1.15, resulting in overall target attainment of 127% for the STI
// LTI 2022: Payout factor of 28% from the tranche that ran until 2025
// New tranche of virtual shares allocated as part of LTI 2025, with payout to be made after 2028

Compensation awarded and due in 2025 incl. service cost
€2,892k

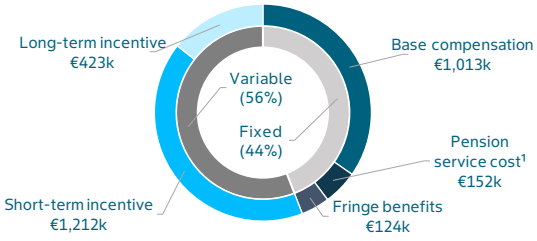




Stefan Oelrich
Member of the Board of Management (Pharmaceuticals)
Member of the Board of Management since November 2018
Appointment runs until October 2029

// Target total compensation increased by 3%
// STI: Group target attainment at 110% and individual factor for strategy development and execution at 1.2, resulting in overall target attainment of 132% for the STI
// LTI 2022: Payout factor of 28% from the tranche that ran until 2025
// New tranche of virtual shares allocated as part of LTI 2025, with payout to be made after 2028

Compensation awarded and due in 2025 incl. service cost
€2,924k



[1] To ensure comparability between the 2025 total compensation of the individual Board of Management members, the service cost of Wolfgang Nickl's and Stefan Oelrich's contribution-based pension entitlements is shown.

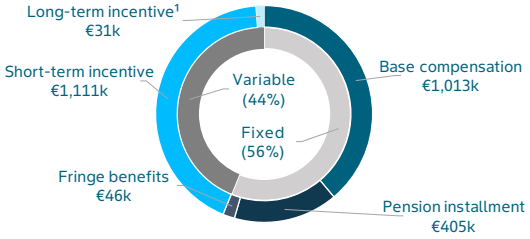


Heike Prinz
Member of the Board of Management (Talent)

Member of the Board of Management since September 2023
Appointment runs until August 2026

// Target total compensation increased by 3%
// STI: Group target attainment at 110% and individual factor for strategy development and execution at 1.1, resulting in overall target attainment of 121% for the STI
// LTI 2022: Payout factor of 28% from the tranche that ran until 2025[1]
// New tranche of virtual shares allocated as part of LTI 2025, with payout to be made after 2028

Compensation awarded and due in 2025
€2,606k



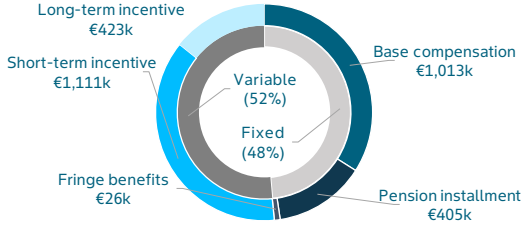


Rodrigo Santos
Member of the Board of Management (Crop Science)

Member of the Board of Management since January 2022
Appointment runs until December 2028

// Target total compensation increased by 3%
// STI: Group target attainment at 110% and individual factor for strategy development and execution at 1.1, resulting in overall target attainment of 121% for the STI
// LTI 2022: Payout factor of 28% from the tranche that ran until 2025
// New tranche of virtual shares allocated as part of LTI 2025, with payout to be made after 2028

Compensation awarded and due in 2025
€2,978k



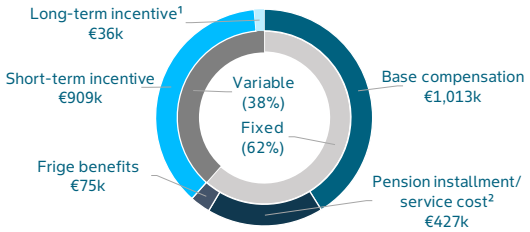


Julio Triana
Member of the Board of Management (Consumer Health)

Member of the Board of Management since April 2024
Appointment runs until March 2027

// Target total compensation increased by 3%
// STI: Group target attainment at 110% and individual factor for strategy development and execution at 0.9, resulting in overall target attainment of 99% for the STI
// LTI 2022: Payout factor of 28% from the tranche that ran until 2025[1]
// New tranche of virtual shares allocated as part of LTI 2025, with payout to be made after 2028

Compensation awarded and due in 2025 incl. service cost
€2,460k



[1] Represents the LTI tranche granted prior to Board of Management appointment.
[2] To ensure comparability between the 2025 total compensation of the individual Board of Management members, the service cost of Julio Triana's contribution-based pension entitlements is shown.

Executive summary

Actual performance vs. 2025 targets[1]

Short-term variable cash compensation (STI) – 2025 performance period

	Target	Attained/max
Core EPS: (Attained: €4.91; target: €4.75)		116/200
Free cash flow: (Attained: €2.1 billion; target: €2.3–2.55 billion)		83/200
Sales growth (Fx & p adj.): (Attained: 1.1%; target: 0.2%)		132/200
Factor for strategy development and execution[2]: (Attained: 1.0/0.8–1.2)		100/120
Total:		**110/200**

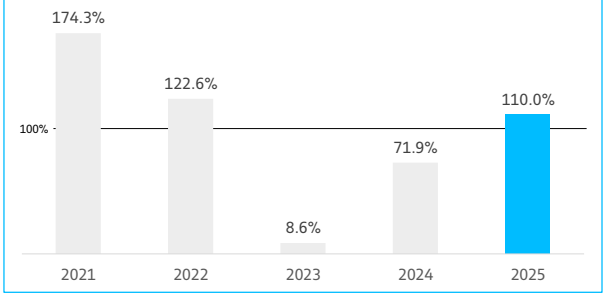
Long-term variable cash compensation (LTI) – 2022–2025 performance period

	Target	Attained/max
Relative TSR: (Attained: –72.24% outperformance; target: 0%)		0/200
ROCE: (Attained: –1.4%; target: 8.4–9.2%)		0/200
Sustainability targets[3]: (Attained: 130/0–200)		130/200
Share price development:		–29%
Accumulated dividends per share:		€4.62
Total:		**28/250**

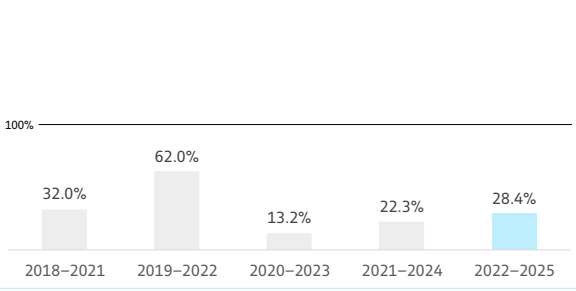
[1] For definition and information on target attainment, see sections 1.3.2 (STI) and 1.3.3 (LTI).
[2] The individual target attainment level shown (factor for strategy development and execution) is set at 100% for illustrative purposes.
[3] For the individual KPIs relating to the sustainability targets, see table C 1.3/13 in section 1.3.3.

Variable compensation performance over time

STI: Payouts as a percentage of the target amount[4]



LTI: Payouts as a percentage of the target amount



[4] The percentages shown do not take into account the individual performance factor / factor for strategy development and execution. The percentages for 2021–2023 reflect the target attainment levels for Board of Management members with functional responsibility.

Compensation Report

1. Compensation of the Board of Management

The Compensation Report prepared by the Board of Management and the Supervisory Board of Bayer Aktiengesellschaft (Bayer AG) outlines the essential features of the compensation packages for the members of the Board of Management and the Supervisory Board of Bayer AG and also provides information on the compensation awarded and due to current or former members of the Board of Management and the Supervisory Board in 2025. Awarded compensation encompasses compensation for services that have been fully rendered once the fiscal year ends. The report thus complies with the regulatory requirements of Section 162 of the German Stock Corporation Act (AktG).

Pursuant to the stipulations of Section 120a, Paragraph 4 of the German Stock Corporation Act (AktG), we will propose that the Annual Stockholders' Meeting to be held on April 24, 2026, resolve on the approval of the prepared and audited Compensation Report.

1.1 Review of 2025

1.1.1 Performance in 2025

Sales of the Bayer Group increased by 1.1% (Fx & portfolio adj.) to €45,575 million in 2025 (reported –2.2%). We registered substantial currency headwinds of €1,742 million. Sales at Crop Science advanced by 1.1% (Fx & portfolio adj.) to €21,622 million. Growth was mainly driven by Corn Seed & Traits, which registered significant gains and more than offset the headwinds arising from regulatory impacts in the United States and Europe. Sales at Pharmaceuticals rose by 1.7% (Fx & portfolio adj.) to €17,829 million. We again registered significant gains for Nubeqa™ and Kerendia™, as well as higher sales for our Radiology business and Mirena™ product family. By contrast, business headwinds mainly related to declines for Xarelto™ and Eylea™. Sales at Consumer Health came in at €5,802 million, and were therefore in line with the prior-year level (Fx & portfolio adj. –0.1%). We registered gains in the Digestive Health, Dermatology and Pain & Cardio categories, but posted declines at Nutritionals and Allergy & Cold. In the Reconciliation, sales decreased by 6.5% (Fx & portfolio adj.) to €322 million.

EBITDA before special items of the Bayer Group declined by 4.5% to €9,669 million (2024: €10,123 million). This figure included a negative currency effect of €491 million that impacted all divisions. At Crop Science, EBITDA before special items declined by 3.2% to €4,188 million (2024: €4,325 million). Earnings were mainly impacted by higher expenses for the Group-wide short-term-incentive (STI) program compared with the previous year thanks to a higher level of target attainment. By contrast, our efficiency programs had a positive effect. At Pharmaceuticals, EBITDA before special items decreased by 4.2% to €4,525 million (2024: €4,722 million), mainly due to increased selling expenses for marketing our new products and higher investments in our R&D activities. EBITDA before special items at Consumer Health declined by 1.8% to €1,341 million (2024: €1,366 million), largely due to currency headwinds. However, the division was able to partially offset this effect thanks to its continuous cost and price management efforts. In the Reconciliation, EBITDA before special items came in at minus €385 million (2024: minus €290 million) and was mainly impacted by higher expenses for the Group-wide long-term incentive (LTI) program.

1.1.2 Response to the vote on the 2024 Compensation Report at the 2025 Annual Stockholders' Meeting

2024 marked the first Compensation Report to be based on the new compensation system that was previously approved with a majority of 93.21%. The Compensation Report itself was approved at the 2025 Annual Stockholders' Meeting, garnering 67.36% approval. While the Supervisory Board appreciates the support from our shareholders, this result is below our expectations, and as such we prioritized engagement with our stockholders. Immediately following the Annual Stockholders' Meeting, we met with stockholders who voted both for and against the Compensation Report to better understand their perspectives. This was followed by meetings with 21 of our stockholders during our Corporate Governance Roadshow in January 2026, led by the Chairman of the Supervisory Board, Prof. Dr. Norbert Winkeljohann. Based on additional research conducted prior to December 31, 2025, the shareholders engaged with during the roadshow represented approximately 33.4% of shares outstanding. For investors that voted against the 2024 Compensation Report, the primary concern related to the short-term incentive payouts for 2024. Some others also requested more transparency around the factor for strategy development and execution.

The table below outlines the concerns expressed by our stockholders during engagement and how they were accounted for when preparing this Compensation Report, along with the compensation-related decisions taken by the Supervisory Board in 2025:

C 1.1/1

Investor focus areas and actions taken in response

Area of focus	Investor feedback and Bayer's responsive actions
Transparency of factor for strategy development and execution	**Some stockholders expressed an interest in seeing greater transparency in the way we disclose the goals and targets for the factor for strategy development and execution within the STI.** // Building on the enhanced approach taken in our 2024 reporting, the 2025 Compensation Report provides greater detail on the decisions taken by the Supervisory Board on the factor for strategy development and execution, which is used to measure individual performance, particularly with respect to quantifiable metrics. Further, the Compensation Report includes more detailed disclosures relating to the way the Supervisory Board sets the variable compensation targets.

Pay for performance in the STI	**Some stockholders would have preferred the Supervisory Board to have taken action to reduce the STI payout beyond the 72% to 79% range paid out to the Board of Management members.**
	// The ratings for the factor for strategy development and execution are based on objective and, where appropriate, quantifiable targets and criteria. The 2024 Compensation Report included transparent disclosures concerning the targets set for 2024 and the way the Supervisory Board determined attainment. In its review, the Supervisory Board determined them to be appropriate.
	// The Supervisory Board set targets for 2025 and conducted a thorough review to determine the appropriateness to make any discretionary adjustments when calculating attainment at the end of the year. In this review, particular focus was placed on the alignment of incentive payouts to company performance. In view of the positive developments at the company, which the Board of Management members were instrumental in leading, the Supervisory Board believes that it would have been inappropriate to have reduced payouts. The Supervisory Board will continue to regularly evaluate payouts within the context of both performance against key targets, and the overall performance of the company.

Peer considerations	**Some stockholders raised questions about the suitability of the companies on the EURO STOXX 50 Total Return as a peer group for the relative TSR component of the LTI.** // The Supervisory Board examined and evaluated alternative peer groups over the course of 2025 and concluded that the EURO STOXX 50 Total Return most effectively mirrors Bayer's competitive environment while also adequately reflecting our company's broad product range. The Supervisory Board will continue to evaluate the appropriateness of the peer group.
Pay for performance in the LTI	**Some stockholders expressed concern that any LTI payouts are made when TSR performance is below the median of the EURO STOXX 50 Total Return.** // The payout curve for the relative TSR metric is significantly more ambitious in the current system than it was previously, is aligned with payout curves for large global companies and, requiring performance at the 60th percentile for 100% target attainment to be achieved, is more ambitious than the majority of DAX companies. This feedback was primarily shared by investors whose views reflect a different geographic market. Requiring median performance for threshold payout would not be in line with German market practice and could impact our ability to retain and attract talent. Under these circumstances, the Supervisory Board determined to not make any changes, but will consider such aspects when exploring future adjustments to the system.
Pension component	**Some stockholders expressed concern regarding the size of the pension component.** // In 2020, the pension component was updated to become an installment in order to eliminate risks to the company related to pension plans. The size of these installments was set on the basis of the contribution level for the defined contribution benefit plan. The Supervisory Board reviewed the size of the pension component in 2025, which confirmed it is at an appropriate market level compared with the other DAX companies. It also evaluated potential options for reducing the weighting of the pension component within total compensation, and will consider such aspects when exploring future adjustments to the system.

1.2 Overview: Design of Board of Management compensation

The Supervisory Board sets the Board of Management's compensation pursuant to Section 87, Paragraph 1 of the German Stock Corporation Act (AktG). The current compensation system for the Board of Management of Bayer AG applies in the version approved by a large majority of shareholders (93.21%) at the Annual Stockholders' Meeting on April 26, 2024. The compensation system is submitted to the Annual Stockholders' Meeting for approval whenever significant changes are made to this system, or at least every four years. The Supervisory Board applies the following guidelines and principles when designing the compensation system:

C 1.2/1

We ensure ...	We avoid ...
✓ ... that we promote long-term and sustainable performance	× ... prioritizing short-term success at the expense of long-term performance
✓ ... that we set ambitious and measurable targets	× ... offering guaranteed variable compensation levels
✓ ... that compensation is aligned toward performance and success	× ... paying special discretionary bonuses
✓ ... that compensation is geared toward creating long-term value for stockholders	× ... neglecting the interests of our stockholders
✓ ... that the interests of our stakeholders (e.g., stockholders and employees) are fully reflected in compensation	× ... incentivizing inappropriate risks
✓ ... that we take regulatory requirements fully into account	× ... inappropriately high payouts and excessive severance payments
✓ ... that we offer appropriate compensation in line with market rates	× ... retrospectively adjusting targets
✓ ... that compensation is capped	× ... providing insufficient transparency in our compensation reporting
✓ ... that we are highly transparent in our compensation reporting	× ... setting overlapping STI and LTI targets

The section below provides an overview of the compensation system for the Board of Management that came into effect from 2024. A detailed description of the compensation system can be found online at www.bayer.com/cpr, and in Chapter 1.3 (Compensation components in detail) of this Compensation Report.

1.2.1 Overview: Design of the compensation system

The compensation system comprises fixed and variable components that, when added together, make up the total compensation of the Board of Management members. The compensation system also covers additional contractual provisions such as maximum compensation pursuant to Section 87a, Paragraph 1, Sentence 2, No. 1 of the German Stock Corporation Act (AktG), malus and clawback, and the Share Ownership Guidelines. The graphic below provides an overview of the components of the compensation system:

C 1.2/2

Non-performance-based elements

Base compensation

Non-performance-based and contractually agreed annual compensation paid out in 12 equal installments within a calendar year

Fringe benefits

Fringe benefits such as assumption of costs for health screening and a company car, as well as any indemnity payments made to new Board of Management members for variable compensation forfeited on termination of previous employment

Pension component

This component consists of a pension installment that is paid out directly as a lump sum

Performance-based elements

Short-term variable cash compensation (STI)

One-year performance period (payout cap: 200%)

1/3	1/3	1/3	
Core EPS at Group level	Free cash flow at Group level	Sales growth (Fx & p adj.) at Group level	× Strategy development and execution (0.8–1.2)

Long-term variable cash compensation (LTI)

Four-year performance period (payout cap: 250%)

80%	20%	
Relative total shareholder return (ranking vs other companies on the EURO STOXX 50 Total Return)	Sustainability targets	× Absolute total shareholder return

Additional contractual provisions

Maximum total compensation

The maximum total annual compensation is set at €12 million for the Chairman of the Board of Management (CEO) and €7.5 million for the other members of the Board of Management.

Share Ownership Guidelines

Board of Management members pledge to build a certain position in Bayer stock by the end of a four-year period and to retain these shares for the remainder of their service on the Board of Management, and for two years thereafter.

Malus/clawback

In the event of gross misconduct or misrepresentation in financial reporting, the Supervisory Board may withhold all or part of the STI and LTI (malus) or require their repayment to the company (clawback).

Contract termination

If a Board of Management member's service contract is terminated early – other than for cause – at the company's instigation, a severance payment of up to twice the annual compensation may be made, but this is limited to the compensation for the remaining term of their contract.

Change of control

In the event of a change of control, members of the Board of Management are entitled to a severance payment of 250% of annual base compensation if certain narrow conditions are met. The payment is limited to the compensation for the remaining term of their contract, capped at twice the annual compensation.

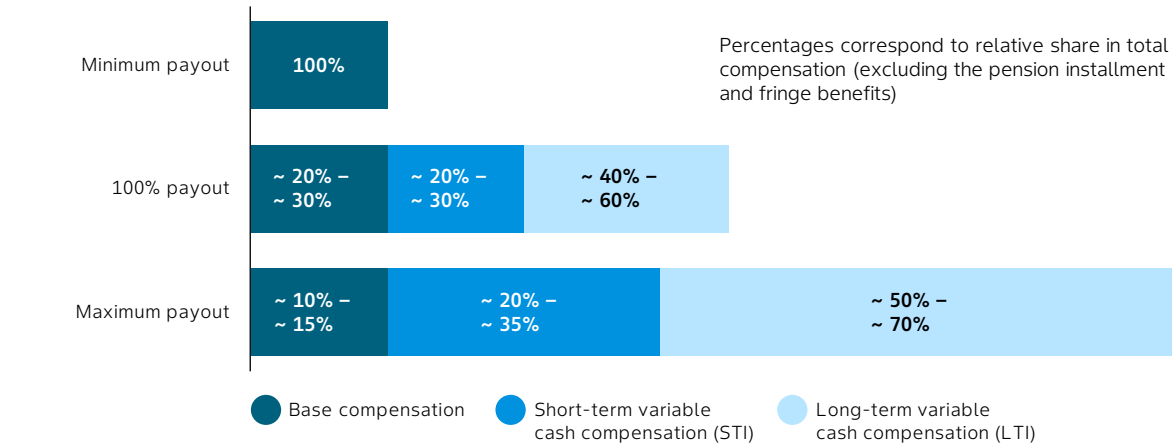
Post-contractual noncompete agreement

Two-year post-contractual noncompete agreement; indemnity payment in the amount of base compensation, any severance payments are deducted from the indemnity payment.

At least 70% of contractually agreed target direct compensation is performance-based (assuming 100% target attainment for variable compensation and excluding fringe benefits and the pension installment). In accordance with the requirements of the German Stock Corporation Act (AktG), the recommendations of the German Corporate Governance Code and the Guidelines for Sustainable Management Board Remuneration Systems, the variable portion of compensation at Bayer has a predominantly long-term focus. Long-term variable target compensation is therefore higher than short-term variable target compensation. This places the focus on Bayer's sustainable development without losing sight of the operational targets.

The compensation structure (excluding fringe benefits and the pension installment) is shown in the graphic below:

C 1.2/3



Scenario[1]	Description
Minimum payout	STI: 0% of target amount; LTI: 0% of target amount
100% payout	STI: 100% of target amount; LTI: 100% of target amount
Maximum payout	STI: 200% of target amount; LTI: 250% of target amount

[1] In isolated cases, the specific, individual compensation structure in a fiscal year may deviate slightly from the structure presented above due to compensation adjustments made during the course of the year.

1.2.2 Setting compensation levels

The Supervisory Board reviews individual compensation levels within the framework of the approved compensation system to ensure that the Board of Management members receive an appropriate level of compensation in line with competitive market rates. To this end, Bayer conducts benchmarking with appropriate peer groups in terms of size, country and industry.

External comparison of compensation

The DAX companies, as well as similar international life science competitors that are comparable in terms of the industry in which they operate, serve as benchmarks when setting compensation levels.

The DAX companies are a suitable primary comparison group, especially in terms of the aspects of size and country. Bayer's economic position is factored in by regularly reviewing the company's relative positioning in the DAX in terms of size, as measured by sales, number of employees and market capitalization. On this basis, Bayer aims to ensure its relative positioning within the DAX is in the top third in terms of target total compensation. Reviewing compensation levels and taking into account size criteria over time ensures that the compensation the members of the Board of Management of Bayer AG receive appropriately reflects the company's positioning.

The international comparison group is taken into account as an additional indicator to validate the competitiveness of Board of Management compensation on an international level, too. Bayer is positioned at the median of this international peer group based on the size-related criteria of sales, number of employees and market capitalization. The international comparison group currently comprises the following companies:

C 1.2/4

International peer group for Board of Management compensation

// AstraZeneca	// BASF	// Bristol Myers Squibb	// Corteva
// FMC Corp	// GlaxoSmithKline	// Johnson & Johnson	// Merck & Co.
// Novartis	// Novo Nordisk	// Nutrien	// Pfizer
// Reckitt Benckiser	// Roche	// Sanofi	// Takeda

Development of compensation vs. workforce

In setting Board of Management compensation, the Supervisory Board also takes into account the company's internal compensation structure in Germany. For this purpose, the Supervisory Board compares the average target direct compensation of the Group's Board of Management with the average target direct compensation of various management levels and the workforce as a whole, considering both the current ratios and the changes in ratios over time. The groups used for comparison are:

// The first management level below the Board of Management
// Managerial employees
// The overall workforce
// Nonmanagerial employees

Outcome of the regular compensation review in 2025

As part of its regular compensation review for 2025, the Supervisory Board placed significant emphasis on maintaining a stable Board of Management team during such a critical time for the company, in view of the competitive market environment and phase of transformation that Bayer is navigating. The first half of the year offered indications that 2025 was shaping up to be a year of positive business performance for Bayer, and we raised our full-year guidance for currency-adjusted sales growth and earnings. In addition, Bayer stock delivered positive performance. In view of these developments as well as the market environment, the Supervisory Board adopted a resolution at its meeting on June 11, 2025, to increase the target compensation of the ordinary (non-CEO) members of the Board of Management by 3%.

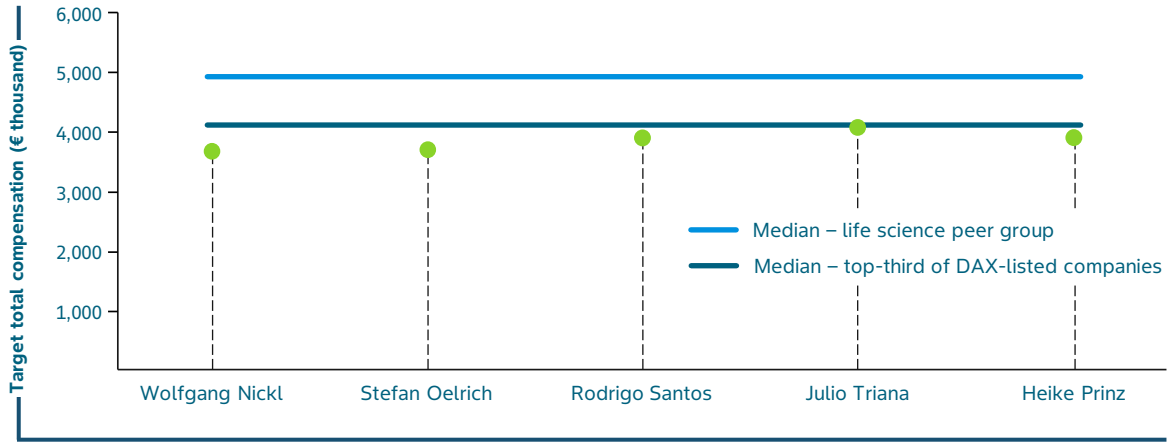
These increases compare with the 3.6% average rise in compensation that the broader workforce in Germany received in 2025.

The resulting target total compensation levels for the ordinary (non-CEO) members of Bayer's Board of Management (approximately €3.9 million) were significantly below the median of the international peer group (approximately €4.9 million) and also in line with the increase in target total compensation levels within this peer group. The resulting target total compensation levels for the ordinary (non-CEO) members of Bayer's Board of Management are also in line with the targeted positioning among the top third of DAX companies. This means that the new target total compensation levels remain within the standard market range, including when taking into account Bayer's targeted positioning in terms of size, as measured by sales, number of employees and market capitalization. Maximum total annual compensation pursuant to Section 87a, Paragraph 1, Sentence 2, No. 1 of the German Stock Corporation Act (AktG) was not increased.

The graphic below provides an overview illustrating Bayer's current positioning versus both the DAX and international peer groups in terms of target compensation for the Board of Management:

C 1.2/5

Median target total compensation for ordinary (non-CEO) Board of Management members



There was no increase to CEO Bill Anderson's target or maximum compensation in 2025.

1.2.3 Target-setting and attainment process

The Supervisory Board aims to set ambitious yet attainable targets that are aligned with the expectations of investors and the capital market. In setting these targets, the Supervisory Board pursues the overarching goal of ensuring sustainable value creation for our stakeholders.

The Supervisory Board believes that variable compensation should create incentives to achieve ambitious business performance objectives while also reflecting the actual conditions in the market and within the company. In an environment shaped by substantial challenges, situations may arise in which targets can be set below those of the previous year without diminishing the level of performance required. The key factor in any case is that the targets are always set in such a way that they are ambitious and motivating while appropriately reflecting relevant external factors at play.

// For fiscal 2025, the Supervisory Board carefully reviewed the proposed targets based on internal planning, extensive market analysis and competitor benchmarking, and capital market consensus.
// In view of the anticipated headwinds, which included the loss of exclusivity for Xarelto™, regulatory impacts in the Crop Science business (e.g. dicamba, Movento™) and projected negative currency effects as the major drivers, the STI targets for 2025 were set below the 2024 targets, in line with the business planning, the capital market guidance and market expectations.
// The Supervisory Board is confident that it has defined ambitious targets where pay and performance are aligned. These targets adequately account for the current challenges while also promoting long-term performance in line with our strategic business objectives.

When setting targets and determining attainment, the Supervisory Board employs a clearly defined process that is subject to regular review, ensuring that all relevant financial, strategic and operational aspects are adequately taken into account. This process forms an integral part of our established corporate governance structures and is continuously refined in order to account for constantly evolving external factors and the expectations of the capital market.

The key steps within this process are shown below:

C 1.2/6

Step 1 – Targets are defined

// At the start of each year, the Board of Management proposes target values for all relevant KPIs for short-term variable cash compensation (STI) to the Supervisory Board. The proposal defines minimum, target and maximum values for each KPI, facilitating clear differentiation between performance levels. The targets are based on the company's operational planning as well as on market analysis and competitor benchmarking. Target values can therefore fluctuate from year to year. As such, it is also possible for target values to be lower than in the previous year. Bayer has committed to setting all targets at or above its capital market guidance.

// Within the short-term incentive (STI), targets are based on operational performance metrics for the fiscal year. Reflecting the challenging business dynamics Bayer was expecting to face, certain targets were set below 2024 results. In view of the projected business performance, the targets nonetheless remained ambitious.

// Within the long-term incentive (LTI), targets are geared toward promoting long-term value creation. 80% of the LTI is determined by Bayer's relative TSR performance versus the EURO STOXX 50 Total Return (ranking), and 20% is determined by performance against pre-set sustainability targets.

Step 2 – Targets are reviewed and approved

// Once the target values have been initially proposed, the Supervisory Board reviews how ambitious they are and verifies that they are in line with our corporate strategy and capital-market expectations. In doing so, it ensures that the targets are ambitious yet attainable and also facilitate differentiation between minimum, target and maximum performance levels.

// As part of this review, individual annual targets are also set for the strategy development and execution factor for each Board of Management member. These targets are based on measurable KPIs where possible, and help strengthen personal accountability in executing strategic and operational priorities. Particular emphasis is placed on ensuring that payouts are aligned to performance.

Step 3 – Target attainment is evaluated

// After the year has ended, the Supervisory Board evaluates target attainment based on the defined KPIs. This evaluation is conducted on the basis of the audited Consolidated Financial Statements as well as the documented results for the respective target components. The individual KPIs are evaluated independently of one another to prevent any offsetting effects, ensuring that performance is assessed objectively and transparently for each KPI.

// In line with Recommendation G.11 of the German Corporate Governance Code, the Supervisory Board has the possibility to reasonably account for any extraordinary developments that have materially impacted the circumstances in effect at the time the targets were defined. This ensures that compensation appropriately reflects how well the company and its management actually performed.

Step 4 – Payouts are determined

// After evaluating target attainment, the Supervisory Board determines the STI and LTI payouts based on the established attainment levels and in line with the parameters defined as part of the compensation system.

// In 2025, the Supervisory Board determined that the calculated payouts accurately reflected Bayer's performance and did not make any adjustments to the payout factors to account for any extraordinary or one-time effects. The Supervisory Board can therefore confirm that the compensation system has been applied consistently, and that transparency and integrity have been maintained during the target attainment process.

1.3 Compensation components in detail

1.3.1 Base compensation

Base compensation is fixed, contractually agreed annual compensation that is paid out in monthly installments within a calendar year.

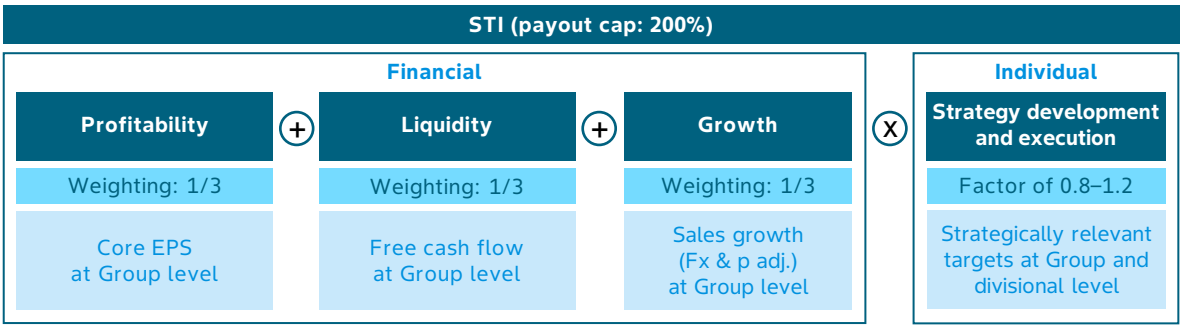
1.3.2 Short-term variable cash compensation (STI) for 2025

Short-term variable cash compensation (STI) is based on the success of the business in the respective year. The compensation system incentivizes operational success in the form of profitable growth, with a simultaneous focus on cash flow. In addition, strategy development and execution are evaluated as part of a modifier that allows additional financial and nonfinancial targets (e.g., ESG targets) to be set for each Board of Management member. The level of the STI payout is based on each Board of Management member's contractually agreed target amount, the target attainment for the three financial components (core EPS, free cash flow, and currency- and portfolio-adjusted sales growth), and the factor for strategy development and execution. Depending on how well the company performs, target attainment for the three equally weighted financial components may vary between 0% and 200%. The factor for strategy development and execution ranges from 0.8 to 1.2.

The graphic below shows the components of the STI and how it functions.

C 1.3/1

Components of short-term variable cash compensation (STI)



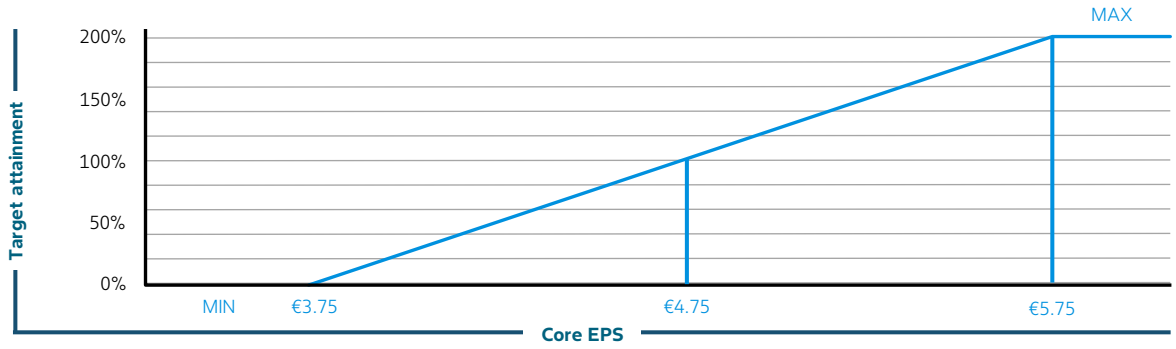
Profitability component

The profitability component is determined on the basis of core earnings per share (core EPS) at Group level. Using core EPS instead of simply EPS for this component means that special items do not have any impact on target attainment, and therefore offers a more accurate reflection of operational performance. In addition, core EPS is a key profitability indicator that we use in our external reporting and our corporate steering.

Using core EPS for this component provides specific incentives to raise profitability in the Bayer Group. The graphic below shows the minimum value, target value and maximum value that the Supervisory Board defined for core EPS at the beginning of 2025:

C 1.3/2

Target attainment function for core EPS



For 2025, the core EPS target for the profitability component was set at €4.75. This target is below both the 2024 target and actual performance, reflecting the more challenging business dynamics compared to 2024 (e.g., the financial impact of the loss of exclusivity for Xarelto™ as the major driver). In view of the anticipated challenges, however, it nonetheless represented an ambitious target that was in line with the capital market guidance provided at the beginning of the year. Actual core EPS came in at €4.91 in 2025, corresponding to a target attainment level of 115.7%.

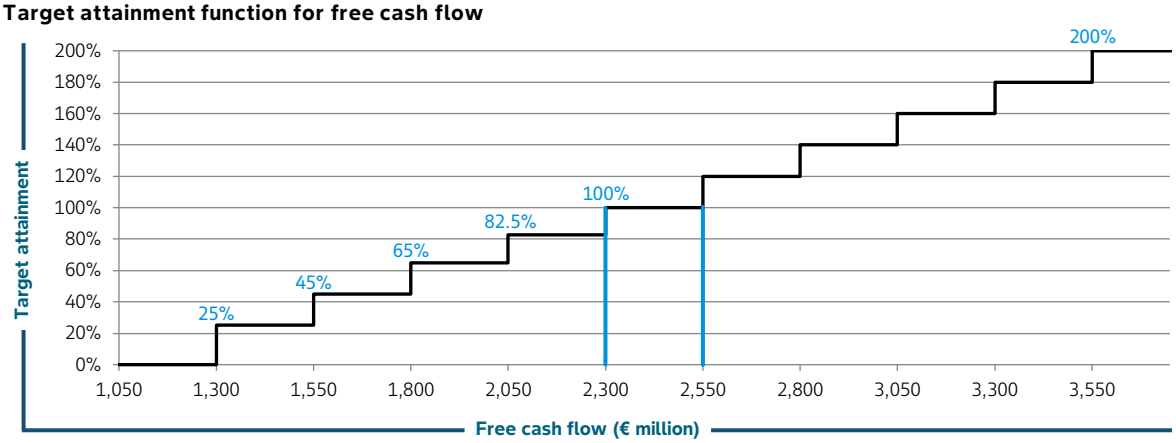
Liquidity component

The liquidity component is determined by the free cash flow at Group level. This component is aimed at incentivizing an increase in the cash flow available for reducing debt and making acquisitions, while also ensuring the Bayer Group's liquidity. As in 2024, payments in connection with ongoing litigations are taken into consideration when the KPI for free cash flow is defined. These payments are therefore taken into account during the target-setting process and are thus also relevant when determining target attainment. The free cash flow target is thus set in alignment with the capital market guidance and is in line with how the metric is presented in the Annual Report.

The graphic below shows the minimum value, target corridor and maximum value that the Supervisory Board defined for free cash flow at the beginning of 2025:

C 1.3/3

Target attainment function for free cash flow



For 2025, the target corridor for free cash flow was set at €2,300 million to €2,550 million, reflecting an anticipated increase in litigation payouts as well as the fact that business dynamics for 2025 were expected to be more challenging compared to 2024. Consequently, the target corridor for 2025 was lower than the previous year's but nonetheless ambitious as it was set at the upper end of the capital market guidance provided at the beginning of the year. Actual free cash flow came in at €2,084 million in 2025, corresponding to a target attainment level of 82.5%.

Growth component

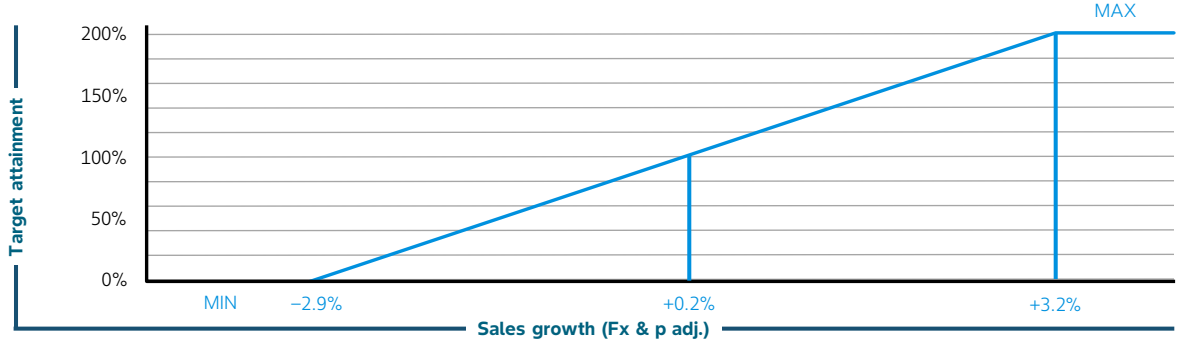
The growth component is determined on the basis of currency- and portfolio-adjusted (Fx & portfolio adj.) sales growth at Group level.

It is designed to incentivize sustainable sales growth at Group level and in the individual divisions, which is one of the Bayer Group's overarching objectives. Using currency- and portfolio-adjusted sales growth instead of simply sales growth for this component means that exchange rates and major acquisitions and divestments do not have any impact on target attainment, and therefore offers a more accurate reflection of operational performance. In addition, currency- and portfolio-adjusted sales growth is a metric we use in our external reporting and corporate steering, and is also the KPI used in our capital market guidance.

The graphic below shows the minimum value, target value and maximum value that the Supervisory Board defined for sales growth (Fx & portfolio adj.) at the beginning of 2025:

C 1.3/4

Target attainment function for sales growth (Fx & p adj.)



For 2025, the sales growth (Fx & portfolio adj.) target for the growth component was set at 0.2%. This represented an ambitious target as it was set at the upper end of the capital market guidance provided at the beginning of the year. Actual sales growth (Fx & portfolio adj.) amounted to 1.1% in 2025, corresponding to a target attainment level of 131.9%.

Factor for strategy development and execution
Successful strategy development and execution are measured as part of a modifier. For this purpose, individual targets are set for the Board of Management members at the beginning of the year. These targets specifically cover the main priorities, especially those of a strategic nature, for each Board of Management member and their area of responsibility.

Target attainment for the strategy development and execution factor is determined by the Supervisory Board after the end of the year. The target attainment levels for the financial performance criteria are multiplied by the respective factor for each Board of Management member. The factor can range from 0.8 to 1.2 (i.e., +/–20%). The table below shows the targets set and the respective attainment levels for 2025. Acknowledging investor feedback at the 2025 Annual Stockholders' Meeting, the Supervisory Board has endeavored to ensure that we are able to provide greater transparency around the process of determining target attainment in our 2025 reporting by defining specific measurements for each target and explaining how the respective attainment levels were determined.

C 1.3/5

Individual targets and attainment levels for 2025 – strategy development and execution

Targets	Measurement	Explanation
Bill Anderson **Attainment level: 1.1**		
		In the assessment of the Supervisory Board, Bill Anderson exceeded his targets for 2025, as outlined below:
// Achieve 2025 financial targets	// 2025 core EPS, free cash flow, sales growth (Fx & p adj.), net financial debt, EBITDA before special items (cEBITDA) as guided	// He largely met the 2025 financial targets as stated in the original guidance (sales growth (Fx & p adj.) was above target, core EPS was above target, free cash flow was slightly above the mid-point of the external guidance, the net financial debt target was over-achieved).
// Shift entire system to the new operating model DSO	// Tangible improvements in dynamic resource allocation	// He made significant progress in the DSO operating model realization; nearly all parts of Bayer have adopted the new resource allocation concept to some degree. 2025 savings targets were realized.
// Drive achievements of division-specific strategic targets, such as implementation of plan to achieve Crop Science margins, tangible improvement in mid- to late-stage Pharma pipeline, sales growth at Consumer Health	// Crop Science: Execution of strategy to bring the division's cEBITDA margin back to the mid-20s percentage range by 2029 has commenced	// The Five-Year Framework for Crop Science has been finalized, agreed and started in 2025, with execution on track as per plan.
	// Pharmaceuticals: Pipeline advances and realization of new operating model in research and development	// The Pharmaceuticals pipeline has seen successful execution in the late stage as well as strong progress in the platform company pipeline. Early innovation has progressed while further efforts are required to fill the pipeline gap.
	// Consumer Health: Meeting the 2025 financial targets with healthy channel inventories	// Consumer Health missed on the topline due to a significant downturn, especially in the US and the Chinese market. It nonetheless improved in-market performance with a divisional evolution index (EVI) of approx. 100, retained healthy channel inventories and maintained profitability as well as cash flow.
// Ensure execution of sustainability strategy	// Reduction of greenhouse gas emissions/carbon offsetting in 2025	// Bayer has largely achieved or over-achieved its sustainability commitments. This includes our GHG-related commitments for Scope 1 and 2 (100% achievement) and Scope 3 (100% achievement).

C 1.3/5 (continued)

Individual targets and attainment levels for 2025 – strategy development and execution

Targets	Measurement	Explanation
Bill Anderson Attainment level: 1.1		
// Achieve first major and visible steps towards containment of litigation	// Legislative support/administrative action at federal and/or state level in the United States, successful appellate court outcomes and advances in class agreements	// He made a key contribution to the significant progress achieved along the multi-pronged strategy to contain litigation. In 2025, the first state action to align local standards with federal regulation was achieved. // At the end of 2025, the Supreme Court appeal was still pending. However, in January 2026, the US Supreme Court announced that it would accept the Durnell case for review in the glyphosate litigation.
// Strengthen understanding and credibility of Bayer's strategy and mid-term potential among shareholder base	// Investor support for Board of Management proposals, stability of shareholder base and positive share price development	// Investors have continued to support management, including the proposal concerning authorized capital, which was approved at the Annual Stockholders' Meeting; the share price increased by approx. 90% in 2025.

Individual targets and attainment levels for 2025 – strategy development and execution

Targets	Measurement	Explanation
Wolfgang Nickl Attainment level: 1.15		
		In the assessment of the Supervisory Board, Wolfgang Nickl exceeded his targets for 2025, as outlined below:
// Deliver on 2025 financial targets, with particular focus on cash management and net financial debt reduction	// 2025 core EPS, free cash flow, sales growth (Fx & p adj.), net financial debt, cEBITDA as guided	// He managed to guide the company to a performance that was at the upper end of or exceeded expectations on most parameters. The net financial debt reduction target in the original guidance was overachieved.
// Drive DSO transformation in the enabling functions and (over-)deliver on financial commitments as per corporate planning	// Visible and tangible improvements in dynamic resource allocation	// He led the Bayer-wide implementation of the new approach to Dynamic Resource Flow, two-tier financial planning, resource allocation, and an awards system. This resulted in significantly less management effort on financial planning across the organization. // He successfully managed the enabling functions savings commitment.
// Deliver on IT priorities (go-live of delayed SAP S/4HANA implementation, "CORE") including continued adoption of AI/business process intelligence (BPI)	// Status of CORE pilots go-live, adoption rate of e.g. AI tools	// He led the first successful go-lives for CORE pilots and drove first major efforts with agentic AI.
// Support progress to close litigation while safeguarding liquidity	// Visible and tangible progress through a combination of e.g. legislative activity, in-court advances and advances in class agreements	// He played a lead role in advancing Bayer's interests in resolving litigation, on both the legal and finance fronts, including the first state action to align local standards with federal regulation.
// Actively contribute to Investor Relations efforts by engaging with key target investors and maintain proactive dialog with rating agencies	// Investor support for Board of Management proposals, stability of shareholder base and positive share price development	// He provided excellent management and communications with both debt and equity investors, a crucial activity in a very challenging year for Bayer; the share price increased by approx. 90% in 2025.
// Advance long-term career development for the levels below the Board of Management, supporting the diversity aspiration	// Increase in diversity below Board of Management level	// He continued to be a sponsor of BayAfro and engaged with the Healthcare Businesswomen's Association. He also continuously supported the development of female talents below Board of Management level.

C 1.3/5 (continued)

Individual targets and attainment levels for 2025 – strategy development and execution

Targets	Measurement	Explanation
Stefan Oelrich Attainment level: 1.2		
		In the assessment of the Supervisory Board, Stefan Oelrich exceeded his targets for 2025, as outlined below:

// Successful execution of launches while also building on resilient base business	// Successful launches of elinzanetant (USA) and acoramidis (selected countries), sales especially for key brands (Nubeqa™, Kerendia™ and Eylea™), cEBITDA margin	// He drove the successful launch of acoramidis in selected countries; elinzanetant has received approval in the USA, EU and further countries.
		// He overachieved the performance targets for sales and cEBITDA margin.
		// He achieved the sales targets for Nubeqa™ and Kerendia™, while the sales target for Eylea™ was not reached.

// Leverage new operating model with increased impact on productivity and efficiency	// Further shift of resources towards key priorities (e.g. launch brands, USA)	// He consistently leveraged the DSO operating model and set high expectations for leaders across Pharma regarding DSO adoption and innovation, making the division one of the strongest areas of DSO implementation.

// Continue to rebuild a healthy and differentiated, competitive pipeline to grow Pharmaceuticals sales by 2030 as planned	// Strengthened early pipeline with 5 new Phase I starts and 2-3 complementary external deals
	// 4 Phase II/III completions; timely start of bemdaneprocel Phase III
	// Strategic clarity and operating model for cell- and gene-therapy platform companies
		// The pipeline of future products has been strengthened with 8 internal Phase I starts and 1 large complementary external deal.
		// Phase II/III completions have been exceeded. Bemdaneprocel Phase III has been initiated.
		// Cell- and gene therapy 2.0 project resulted in clarity in focus areas, prioritization of portfolio, and clarity on concept of collaboration model.

// Remain on track to supply 100 million women in low- and middle-income countries (LMICs) with modern contraception by 2030 – drive impact of Global Health Unit	// Enabling 61 million women in LMICs to have access to modern contraception; implementation of 10 projects in LMICs which improve patient reach (Global Health Unit)	// Supply of modern contraception for women in LMICs was increased to 68 million users; the Global Health Unit target has been exceeded through the implementation of 13 projects in LMICs.

// Ensure a future-ready workforce through (leadership) upskilling and reskilling as well as strategic workforce planning	// Reduction of skill gaps in high priority areas through strategic workforce planning
	// Ownership Survey minimum score of 4 on a 5-point scale; rollout of systematic (leadership) immersion journey for prioritized areas
		// He considerably advanced the reduction of skill gaps by 90% in high-priority areas through tailored buy and build strategies in prioritized areas.
		// Leadership role modeling at Pharmaceuticals (Ownership Survey) reached 3.9 on a 5-point scale.
		// He conceptualized and effectively rolled out the LEAD and ACCELERATE leadership immersion programs for top talents and rising stars.

C 1.3/5 (continued)

Individual targets and attainment levels for 2025 – strategy development and execution

Targets	Measurement	Explanation
Heike Prinz Attainment level: 1.1		
		In the assessment of the Supervisory Board, Heike Prinz exceeded her targets for 2025, as outlined below:
// Drive organizational efficiency in collaboration with the divisions/enabling functions	// Cost reduction	// She notably contributed to organizational efficiency increases through significant cost reductions and is on track to achieve the 2026 savings target.
// Advance HR transformation by implementing the new operating model and deliver on financial commitments	// Increased span of control, reduction of organizational layers	// She overachieved the HR-specific financial commitments through organizational and spending optimization and took out 5-6 organizational layers on average while increasing span of control nearly threefold.

// Deliver on key people enablers	// New performance approach rollout, completion and rollout of job leveling/career progression test phase; definition of new compensation and benefits approach (starting 2026); leadership development (DSO leadership model “VACC”) scaled to over 8,000 coached employees	// She achieved great progress in developing/rolling out people enablers (e.g. new employee STI approach).
		// Job leveling/career progression has been tested; however, the rollout could not be started yet
		// She made progress on leader development with different programs and met the targets set for 2025.

// Simplify processes to enhance user experience and drive efficiencies	// Workday implementation has started	// She enabled the implementation of the Workday product with first functionalities around performance and feedback and first employee and leader services within a remarkably short space of time. It is ready for go-live in early 2026.
// Drive achievement of diversity and inclusion aspirations for 2025 and prepare for 2030 aspiration	// 33% of top management positions held by women; 50/50 gender balance across all management levels combined	// She drove the achievement of diversity and inclusion aspirations with 35% of women in top management and 44% women in all management levels combined.
// Enhance succession planning and career development for the levels below the Board of Management	// Enhanced succession planning	// She enhanced succession planning through the introduction and further refinement of the new potential identification methodology and emphasized talent engagement formats.

C 1.3/5 (continued)

Individual targets and attainment levels for 2025 – strategy development and execution

Targets	Measurement	Explanation
Rodrigo Santos Attainment level: 1.1		
		In the assessment of the Supervisory Board, Rodrigo Santos exceeded his targets for 2025, as outlined below:
// Achieve financial targets for 2025	// Sales, cEBITDA margin	// Crop Science met its financial targets as guided.
// Leverage DSO to accelerate the strategic transformation, and achieve full activation of the new operating model	// 100% of Crop Science teams are working in the new operating model	// He successfully activated all teams within Crop Science in the new operating model. DSO is now fully embedded as the way of delivering business.
// Re-imagine the strategic direction of Crop Science and successfully communicate the strategy to investors	// Strategic plan in place to deliver over €25 billion in sales and a cEBITDA margin of over 24% by 2029; Crop Science is recognized among investors for having a competitively differentiated pipeline	// He drove successful communication of the Five-Year Framework (plan to address key challenges e.g. crop protection, price erosion) to capital markets to be recognized as industry leader and set the stage to deliver the innovation of Crop Science's "10 Blockbusters." // He drove the first phase of strengthening the pipeline foundation and ensured the next wave of pipeline innovations is on track.
// Advance the division's regenerative agriculture vision	// Further development of flagship regenerative agriculture cropping systems, in line with 2030 sustainability targets // Strengthening and improving livelihoods of 54-56 million smallholder farmers	// The regenerative agriculture pathway presented at the Q1 investor webinar is on track and delivering tangible value, with clear proof points in industry shaping, business integration and global advocacy. // He steered the division to supporting 53 million smallholder farmers in LMICs through products, services and partnerships.

// Provide active communication across the organization to maintain engagement levels, improve diversity and inclusion, and ensure retention of key talents	// Engagement measures (e.g. voluntary attrition, retention of identified key talents)	// Employee feedback data are tracking engagement in expectable ranges during transition time.
		// He has made good progress by having 100% of the Crop Science Leadership Team positions in place with a solid succession plan and diverse profiles.
		// The identification of "rising stars" (potential rating) employees within the organization for senior mentorship and succession-planning-minded development has advanced.

C 1.3/5 (continued)

Individual targets and attainment levels for 2025 – strategy development and execution

Targets	Measurement	Explanation
Julio Triana Attainment: 0.9		
		In the assessment of the Supervisory Board, Julio Triana largely met his targets for 2025, as outlined below:

// Achieve Consumer Health's financial targets and outperform competition by successfully executing Road to Billions strategy	// Sales (16% through e-commerce), cEBITDA margin, improvement in brand power scores and creative scores, divisional evolution index (EVI) > 100, savings targets, trade inventory levels	// Consumer Health largely missed its financial ambition, primarily due to the change in topline guidance.
		// He successfully drove sales through e-commerce resulting in an overachievement of the target.
		// 50% of the brand power scores and 93% of the creative scores were improved.
		// The 2025 EVI target was met.
		// He made significant progress in the execution of the productivity program (BIG 10) and overachieved the savings target.
		// Trade inventory reductions in 2025 were achieved.

// Ensure the DSO operating model is fully scaled and continuously improved	// Span of control of min. 1:12–15; number of organizational layers reduced to 3–5	// He drove excellent progress in some countries and areas, but more limited progress was seen in other areas and countries. To foster adoption of DSO, he successfully increased the span of control to 1:19.
// Free organization from non-value adding activities by focusing on customer needs. Accelerate productivity programs to substantiate margin target	// Visible and measurable value creation achieved	// He successfully introduced the new "power couples" strategy, which saw significant gains from more focused investment and enables notable cost savings until 2029.
//Achieve Consumer Health access and environmental targets for 2025	// Number of people reached in underserved communities	// He significantly contributed to an overachievement of the target (82 million people reached).
// Establish an updated succession planning and career development program for the levels below the Board of Management, helping to bring Bayer closer to its diversity aspiration	// Updated succession planning and career development program established	// He established a succession planning and career development program for the level below the Board of Management with 35% female representation overall in the succession pipeline.

Payment of the short-term variable compensation (STI)

The STI is paid out the following year at the earliest possible opportunity. For 2025, it is calculated as follows:

C 1.3/6

Short-term variable compensation in 2025 at a glance

		Target attainment					
		Financial performance at Group level			Individual performance		
	Target amount (€)	Core EPS	Free cash flow	Sales growth (Fx & p adj.)	Strategy development and execution	Total	Payout amount (€)
Serving members of the Board of Management as of December 31, 2025							
Bill Anderson	2,025,000.00	115.68%	82.50%	131.93%	1.10	121.04%	2,451,060.00
Wolfgang Nickl	918,147.15				1.15	126.55%	1,161,915.22
Stefan Oelrich	918,147.15				1.20	132.05%	1,212,413.31
Heike Prinz	918,147.15				1.10	121.04%	1,111,325.31
Rodrigo Santos	918,147.15				1.10	121.04%	1,111,325.31
Julio Triana	918,147.15				0.90	99.04%	909,332.94

1.3.3 Long-term stock-based cash compensation (LTI) for 2025

Allocated long-term stock-based cash compensation (from 2024)

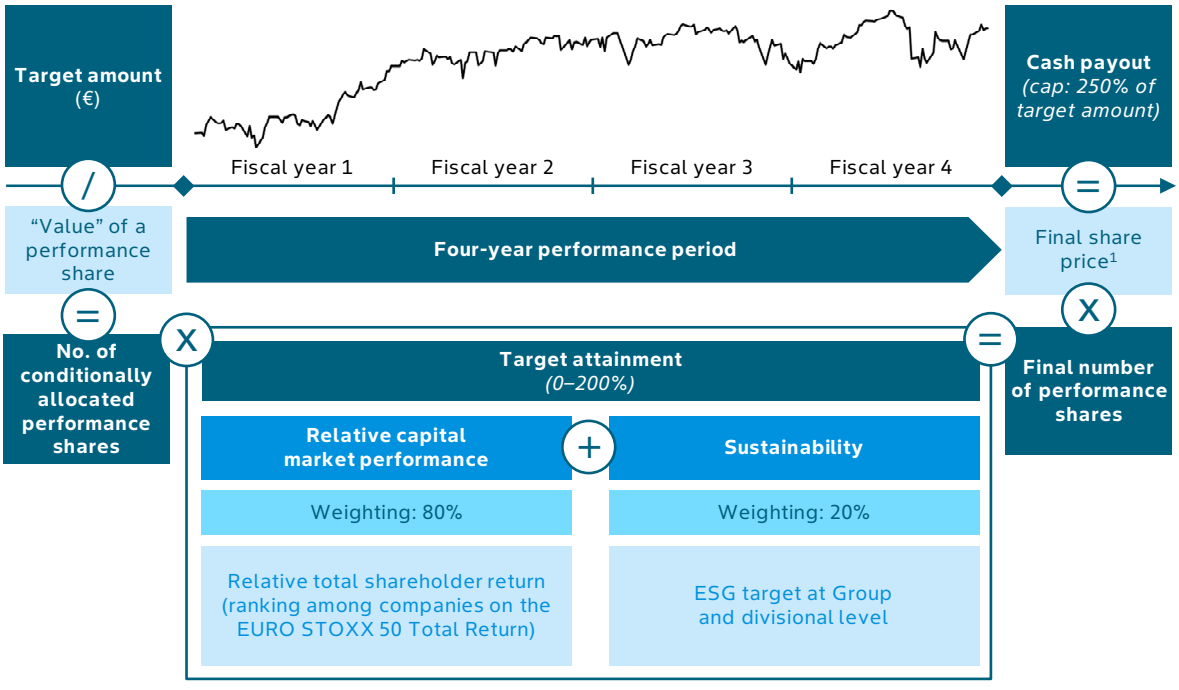
Members of the Board of Management are eligible to participate in the annual tranches of the four-year stock-based LTI program provided that they purchase an individually determined number of Bayer shares as a personal investment and hold them for a specified period of time (see "Share Ownership Guidelines").

The annual tranches are conditionally allocated in the form of (virtual) performance shares at the beginning of each fiscal year, with a performance period of four years for each tranche. To establish the number of performance shares conditionally allocated, a contractually agreed target amount is divided by the value (fair value) of a performance share at the time of allocation. The final number of performance shares is determined by multiplying the number of performance shares conditionally allocated by total target attainment, which is derived from weighted target attainment in the two performance criteria – relative capital market performance (80% weighting) and sustainability (20% weighting) – and is capped at 200%. Depending on how well the company performs, the target attainment levels for the two performance criteria may vary between 0% and 200%. Total target attainment of 0% results in zero performance shares and an LTI payout of zero.

The payout is based on the final number of performance shares multiplied by the arithmetic mean of the XETRA closing prices for Bayer stock on the 30 stock exchange trading days immediately preceding the end of the performance period plus the total dividends paid over the four-year performance period. This mirrors the way real shares work and renders the Board of Management "dividend-neutral", with no financial incentive to keep dividends low. Dividends are not paid out in advance, nor are they guaranteed. The payout is capped at 250% of the contractually agreed target amount. The graphic below shows the components of the LTI and how it functions:

C 1.3/7

Components of long-term variable cash compensation (LTI)



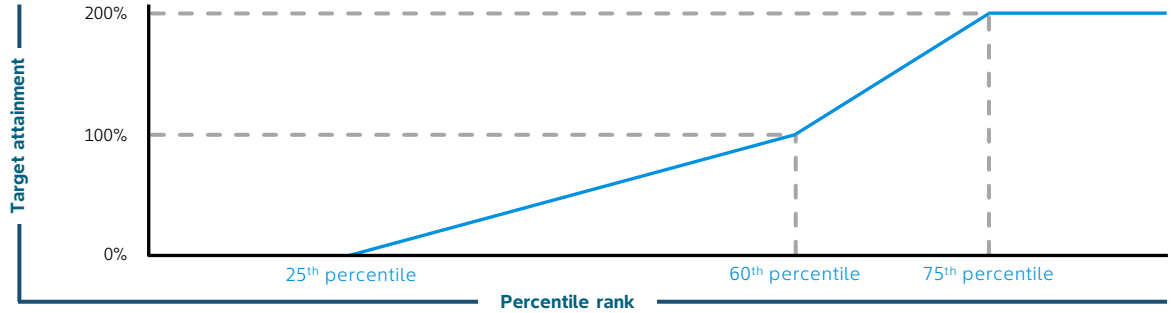
[1] Arithmetic mean of the XETRA closing prices for Bayer stock over the 30 stock exchange trading days immediately preceding the end of the respective four-year performance period, plus accumulated dividend payments

Relative capital market performance

Relative capital market performance is determined by ranking Bayer's total shareholder return (TSR) against companies in a benchmark index (EURO STOXX 50 Total Return). The companies on the EURO STOXX 50 Total Return represent an appropriate peer group for benchmarking since the 49 companies in question are large, publicly listed firms that are comparable to Bayer in terms of size and international footprint. Bayer stock is also listed on the index. Bayer aims to be an attractive investment target and therefore incentivizes above-average capital market performance, both in absolute terms and relative to the market. The initial and final values for calculating the TSR are based on the arithmetic mean of the XETRA closing prices on the 30 stock exchange trading days immediately preceding the start and the end of the respective four-year performance period. The final value also includes the hypothetically reinvested gross dividends during that time. Target attainment is determined by calculating the TSR values of Bayer and of the individual benchmark companies, sorting them by order of amount, and then expressing their respective positioning as a percentile from 0 to 100. If Bayer is at or below the 25th percentile, target attainment is 0%. If Bayer is ranked at the 60th percentile, meaning the company's TSR is higher than 60% of companies in the benchmark index, target attainment is 100%. If Bayer's TSR lies at the 75th percentile, target attainment is 200%. Percentile ranks above this level do not result in higher target attainment (cap). Target attainment percentages between these points are determined through linear interpolation. The payout curve is shown in the graphic below:

C 1.3/8

Target attainment function for relative total shareholder return (ranking)



Sustainability

We embrace sustainability in our activities, helping to safeguard our future social and economic viability. As a leader in nutrition and health, we aim to play our part in overcoming some of the world's biggest challenges by leveraging our innovative products and services. This includes combating hunger and improving healthcare, as well as taking measures to reduce our carbon footprint.

Against this backdrop, we have set ourselves sustainability targets as part of our sustainability strategy. These targets are also reflected in our long-term compensation (LTI). At the beginning of each LTI tranche, the Supervisory Board defines measurable sustainability targets for the respective four-year performance period that are in line with our corporate strategy. In setting the sustainability targets, the Supervisory Board takes care to ensure that they are aligned with the Sustainable Development Goals (SDGs) of the United Nations as a minimum, and are also in step with international best practice, such as the Science Based Targets initiative (SBTi), with respect to how they are determined, measured and reviewed.

At the start of each tranche, the Supervisory Board sets a minimum value, a target value and a maximum value for the individual sustainability targets. If the target value has been achieved, target attainment is 100%. If the value achieved is below the minimum value, target attainment is 0%. If the maximum value has been achieved or exceeded, target attainment is 200%. The target attainment curves (minimum value, target value, maximum value) are based on the published sustainability targets for 2030. The sustainability targets for the 2025-2028 LTI tranche are shown in the graphic below:

C 1.3/9

Sustainability targets for the 2025–2028 tranche





Reduction in …	Number of …
… Scope 1 and 2 greenhouse gas emissions	… smallholders supported in low- and middle-income countries
… Scope 3 greenhouse gas emissions in relevant categories	… people supported with self-care in underserved communities
	… women in low- and middle-income countries with access to modern contraception

Covering Scope 1 and 2 emissions (market-based) of environmentally relevant sites, which include all sites with an annual energy consumption exceeding 1.5 terajoules and/or annual water withdrawal that is greater than or equal to 50 Tm^3.
In accordance with the criteria set out by the Science Based Targets initiative, all Scope 3 categories are now relevant for our goal following the revalidation process performed in 2025.

The individual sustainability targets set and the attainment thereof will be reported on in the corresponding Compensation Report following the end of the performance period. Thus, the targets and attainment for the sustainability goals for awards granted in 2025 will be reported on in the 2028 Compensation Report published in 2029.

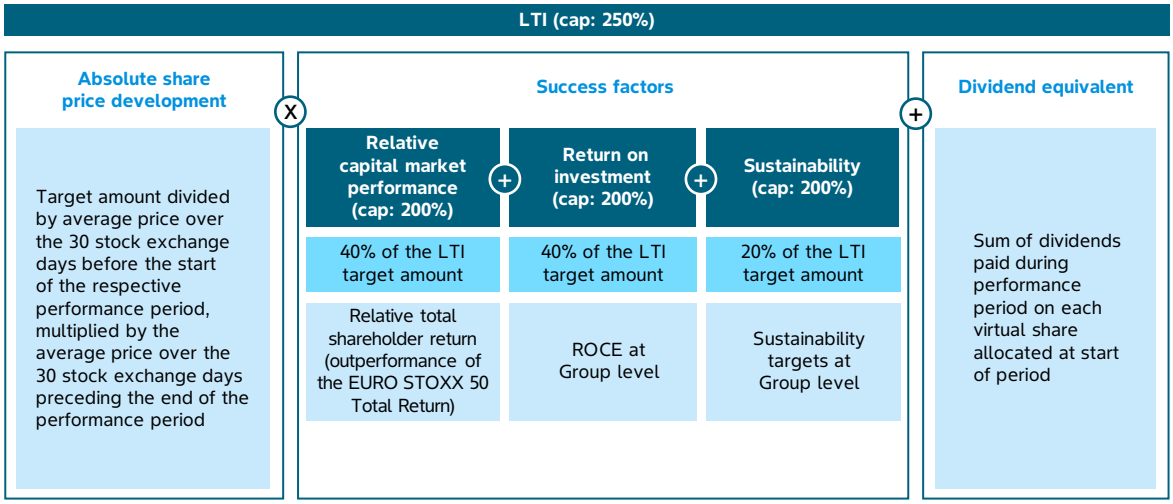
Long-term stock-based cash compensation (allocations through 2023)
Under the former compensation system that was in place until 2023, the annual Aspire 3.0 tranches were allocated in the form of virtual shares with a performance period of four years for each tranche. The number of virtual shares conditionally allocated is calculated by multiplying base compensation by a contractually agreed target rate and then dividing by the arithmetic mean of the XETRA closing prices for Bayer stock on the 30 stock exchange trading days immediately preceding the start of the respective performance period.

The final number of virtual shares depends on the target attainment levels for the three components: relative capital market performance, return on investment and sustainability. The three components are weighted at 40%, 40% and 20%, respectively. To determine the final number of virtual shares, the conditionally allocated number of virtual shares is multiplied by the weighted total target attainment levels for the three components. The payout is calculated by multiplying the final number of virtual shares by the arithmetic mean of the XETRA closing prices for Bayer stock on the 30 stock exchange trading days immediately preceding the end of the performance period. In addition, the Board of Management members receive the accumulated dividends paid on each conditionally allocated virtual share during the four-year period.

The components of the long-term variable cash compensation (LTI) are shown in the graphic below:

C 1.3/10

Components of long-term variable cash compensation (LTI)



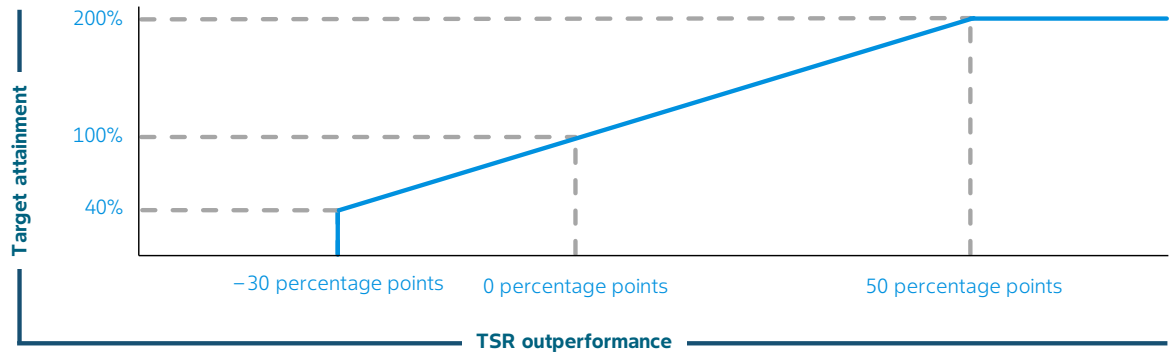
Relative capital market performance

Relative capital market performance is determined by the difference between Bayer's total shareholder return (TSR) and that of the EURO STOXX 50 Total Return, which serves as the benchmark index. The initial and final values for calculating the TSR are based on the arithmetic mean of the XETRA closing prices for Bayer stock on the 30 stock exchange trading days immediately preceding the start and the end of the respective four-year performance period. The final value also includes the hypothetically reinvested gross dividends during that time. Target attainment is determined based on the difference between Bayer's TSR over the period and that of the EURO STOXX 50 Total Return. If the difference is zero – i.e., performance is on a par with that of the index – target attainment is 100%. If the difference is more than –30 percentage points, target attainment is 0%. If the difference equals –30 percentage points, target attainment is 40%. If the difference is +50 percentage points or more, target attainment is 200%.

The target attainment curve for the relative TSR target is given in the graphic below:

C 1.3/11

Target attainment function for relative total shareholder return (outperformance)



The four-year performance period of the 2022 Aspire 3.0 tranche ended at the end of 2025. For this period, TSR was –23.01% for Bayer stock and +49.23% for the EURO STOXX 50 Total Return. This results in a relative TSR performance of –72.24 percentage points, corresponding to a target attainment level of 0%.

Return on investment

Return on investment is based on the return on capital employed (ROCE) at Group level. The annual comparison of ROCE to the weighted average cost of capital (WACC) indicates the value generated by the company. ROCE is a metric that is applied as part of Bayer's corporate steering system.

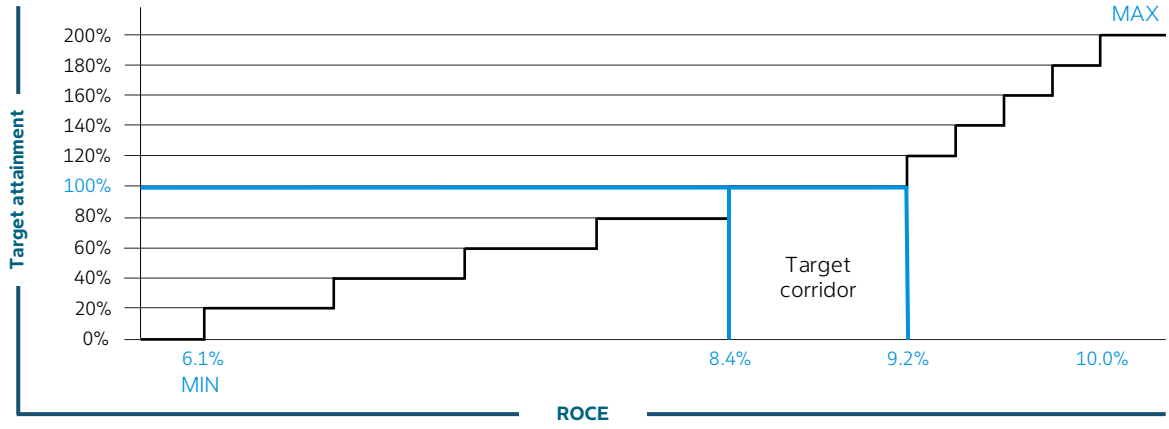
At the start of each tranche, the Supervisory Board sets a minimum value, a target corridor, a maximum value and additional benchmarks for ROCE in the final year of the four-year performance period. The minimum value is based on the WACC on the date the respective tranche is issued. The target corridor for 100% target attainment is based on the WACC and an ambitious premium. This premium is based on business expectations for the fourth and final year of the respective tranche. The ROCE target corridor can therefore fluctuate from year to year. As such, it is also possible for target corridors to be lower than in the previous year.

At the end of the four-year performance period, the ROCE achieved in the final year of the performance period is compared to the target corridor set for that tranche of the LTI. If the target corridor has been achieved, target attainment is 100%. If performance is above or below the target corridor, attainment corresponds to the target function within an interval of 0% to 200%.

The graphic below shows the minimum value, the target corridor and maximum value for the 2022 tranche, the performance period for which ended in 2025:

C 1.3/12

Target attainment function for ROCE



For the 2022-2025 tranche, a ROCE target corridor of 8.4% to 9.2% was set for return on investment in 2025. Actual ROCE came in at minus 1.4%, mainly driven by lower operating earnings and special charges relating to litigations and restructuring. This corresponded to an attainment level of 0%.

Sustainability

Starting with the 2021 tranche, the Supervisory Board defines specific sustainability targets for the four-year performance period that are taken into account with a weighting of 20%.

In setting the sustainability targets, the Supervisory Board takes care to ensure that these are aligned with the Sustainable Development Goals (SDGs) of the United Nations as a minimum, and are also in step with international best practice, such as the Science Based Targets initiative (SBTi), with respect to how they are determined, measured and reviewed. Furthermore, they are an integral part of the business strategy, providing access to new customer groups and contributing to greater supply security, for example. All the sustainability targets below are given the same weighting. The Supervisory Board also sets a minimum value, a target corridor and a maximum value for the individual sustainability targets. If performance is above or below the target corridor, attainment corresponds to a target function within an interval of 0% to 200%. The table below shows a breakdown of the Group sustainability targets for 2030.

C 1.3/13

Group sustainability targets through 2030

Target[1]	Target for 2030
Number of smallholder farmers in low- and middle-income countries supported by products, services and partnerships	100 million
Number of women in low- and middle-income countries who have their need for modern contraception satisfied due to interventions supported by Bayer	100 million
Number of people in underserved[2] communities whose self-care is supported by interventions from Bayer	100 million
Scope 1 and 2[3] greenhouse gas emissions	42% decrease[4, 6]
Scope 3 greenhouse gas emissions from relevant[7] categories	25% decrease[5, 6]
Offsetting of remaining Scope 1 and 2 greenhouse gas emissions[8]	100%

[1] A more detailed description of the calculation methodologies is published on our website: www.bayer.com/en/sustainability/targets.
[2] Economically or medically
[3] Covering Scope 1 and 2 emissions (market-based) of environmentally relevant sites, which include all sites with an annual energy consumption exceeding 1.5 terajoules and/or annual water withdrawal that is greater than or equal to 50 Tm^3.
[4] Corresponding to the sustainability target of limiting global temperature rise to below 1.5°C above pre-industrial level
[5] Corresponding to the sustainability target of limiting global temperature rise to significantly below 2°C above pre-industrial level
[6] By the end of 2029
[7] In accordance with the criteria set out by the Science Based Targets initiative, all Scope 3 categories are now relevant for our goal following the revalidation process performed in 2025.
[8] To be offset by purchasing certificates from verified climate protection projects, primarily in forestry and agriculture

The four-year performance period for LTI-relevant sustainability targets for the Board of Management covers the years 2022 through 2025, which means that it ended at the end of fiscal 2025. The overview below shows the target figures that the Supervisory Board specified for the respective sustainability targets and levels achieved as of the end of 2025, as well as aggregated target attainment levels for each target based on these figures.

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LTI-relevant sustainability targets for the Board of Management for 2025

Target	2019 baseline	2025 min. (0% attainment)	2025 target (100% attainment)	2025 max. (200% attainment)	2025 actual figures	Target attainment for 2025
Number of smallholder farmers in low- and middle-income countries supported by products, services and partnerships	42 million	<50 million	54–56 million	>60 million	53 million	80%
Number of women in low- and middle-income countries who have their need for modern contraception satisfied due to interventions supported by Bayer	38 million	<56 million	60–62 million	>66 million	68 million	200%
Number of people in underserved communities whose self-care is supported by interventions from Bayer	41 million	<65 million	69–71 million	>75 million	82 million	200%
Scope 1 and 2 greenhouse gas emissions (metric tons) [1]	3.8 million	>3.3 million	2.7–2.9 million	<2.3 million	2.8 million	100%
Scope 3 greenhouse gas emissions from relevant categories (metric tons) [2]	8.82 million	>8.39 million	8.09–8.19 million	<7.89 million	8.13 million	100%
Offsetting of remaining Scope 1 and 2 greenhouse gas emissions (metric tons)	–	<0.7 million	0.9–1.0 million	>1.2 million	0.91 million	100%
Target attainment (aggregated)						**130.00%**

[1] Covering Scope 1 and 2 emissions (market-based) of environmentally relevant sites, which include all sites with an annual energy consumption exceeding 1.5 terajoules and/or annual water withdrawal that is greater than or equal to 50 Tm^3.

[2] With respect to the LTI-relevant sustainability targets for the Board of Management, the following Scope 3 categories are relevant for the 2022-2025 period: (3.1) purchased goods and services, (3.2) capital goods, (3.3) fuel- and energy-related activities, (3.4) (upstream) transportation and distribution, and (3.6) business travel. The figure for category (3.4) is calculated based on the 2019 methodology (0.72 million tons of CO_2 equivalents), and therefore deviates from the figure published in the Sustainability Statement (0.82 million tons of CO_2 equivalents), which is calculated using the updated 2025 methodology. For more information on our Scope 3 reporting, see the sections "Targets related to climate change mitigation and adaptation [E1-4]" and Greenhouse gas emissions of Scope 1, 2 and 3 and total greenhouse gas emissions [E1-6] in Chapter A 4.2.2 "Climate Change".

Based on the target attainment levels for the individual sustainability targets, overall attainment for this component was 130.00%.

Payment of the 2022 tranche of Aspire 3.0

Payment takes place the following year at the earliest possible opportunity. For the 2022 tranche, it is calculated as follows:

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Aspire 3.0 payout percentages

	2022 tranche
Bayer stock starting price	€46.37
Bayer stock final price	€32.89
Bayer stock performance	**–29.07%**
Performance factor – relative capital market performance	**0%**
Performance factor – return on investment (ROCE)	**0%**
Performance factor – sustainability targets	**130%**
Accumulated dividends per share	**€4.62**
Payout percentage	**28.40%**

Ongoing tranches of long-term variable cash compensation (LTI)

The following table provides an overview of the ongoing tranches for serving members of the Board of Management of Bayer AG in 2025:

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Overview of LTI tranches of Board of Management members serving as of Dec. 31, 2025

Overview of LTI tranches allocated

		Target amount (€)	Bayer stock starting price[1] (€)	No. of conditionally allocated virtual shares[2]	Target attainment for performance component[3]	Bayer stock final price[1] (€)	Total dividends per virtual share (€)	Payout percentage	Payout amount (€)
2022 Aspire 3.0 tranche (Jan. 1, 2022 – Dec. 31, 2025)	Wolfgang Nickl	1,440,000	46.37	31,055	26.00%	32.89	4.62	28.40%	408,960
	Stefan Oelrich	1,488,000		32,090					422,592
	Rodrigo Santos	1,488,000		32,090					422,592
2023 Aspire 3.0 tranche (Jan. 1, 2023 – Dec. 31, 2026)	Bill Anderson[4]	3,375,000	52.15	64,717	The performance period of the 2023 Aspire 3.0 tranche will end on Dec. 31, 2026				
	Wolfgang Nickl	1,440,000		27,613					
	Stefan Oelrich	1,488,000		28,533					
	Heike Prinz[5]	1,200,000		23,011					
	Rodrigo Santos	1,488,000		28,533					
2024 LTI tranche (Jan. 1, 2024 – Dec. 31, 2027)	Bill Anderson	3,600,000	30.83[6]	116,769	The performance period of the 2024 LTI tranche for the Board of Management will end on Dec. 31, 2027				
	Wolfgang Nickl	1,488,000		48,265					
	Stefan Oelrich	1,488,000		48,265					
	Heike Prinz	1,488,000		48,265					
	Rodrigo Santos	1,488,000		48,265					
	Julio Triana[5]	1,485,675		48,189					
2025 LTI tranche (Jan. 1, 2025 – Dec. 31, 2028)	Bill Anderson	3,600,000	16.72[6]	215,311	The performance period of the 2025 LTI tranche for the Board of Management will end on Dec. 31, 2028				
	Wolfgang Nickl	1,584,720		94,780					
	Stefan Oelrich	1,584,720		94,780					
	Heike Prinz	1,584,720		94,780					
	Rodrigo Santos	1,584,720		94,780					
	Julio Triana	1,584,720		94,780					

[1] Average share price on the 30 trading days preceding the start/end of a tranche

[2] The number of conditionally allocated virtual shares is determined by dividing the LTI target value by the fair value of the conditionally allocated virtual performance shares (for tranches issued from 2024 onwards) or by the average share price over the preceding 30 stock exchange trading days before the tranche is issued (up to the 2023 tranche).

[3] Target attainment for LTI tranches issued from 2024 onwards is determined on the basis of the weighted target attainment levels for the two performance criteria, "EURO STOXX 50 Total Return ranking" and "Sustainability". Target attainment for Aspire 3.0 is based on the weighted target attainment levels for the three performance criteria "Relative capital market performance", "Return on investment" and "Sustainability".

[4] Prorated entitlement (45/48) due to Board of Management appointment starting on April 1, 2023

[5] LTI tranches granted by Bayer prior to their appointment to the Board of Management are not shown. Where appropriate, the LTI tranche granted in the year they were appointed to the Board of Management is therefore presented on a prorated basis from the date of appointment. When each performance period comes to an end, the respective tranche will be shown in the "Compensation awarded and due" table.

[6] For tranches issued from 2024 onwards, the fair value of the conditionally allocated virtual performance shares is used as the basis. It is calculated using a Monte Carlo simulation model. The relevant volatilities and correlations are determined based on historical returns. Discounting is based on the four-year ESTR swap rate. For the ESG factor, an attainment rate of 100% is assumed. The payout cap (250%) is also taken into account when determining the fair value.

In line with the recommendation of the German Corporate Governance Code, already allocated LTI tranches are paid out according to the originally agreed targets at the end of the contractually specified performance period should a Board of Management member's service contract be terminated.

1.3.4 Fringe benefits

Fringe benefits include costs assumed by the company for health screening and various work-related insurance policies. Each member of the Board of Management has access to a company car, including driver, for business and a reasonable amount of private use, or receives a corresponding allowance. In addition, the company pays the cost of security installations at each member's private residence. Work-related moving expenses are either individually reimbursed or compensated in the form of a flat-rate allowance. Any indemnity payments to new members of the Board of Management for variable compensation forfeited on termination of previous employment also constitute fringe benefits.

1.3.5 Pension entitlement/installment

Members of the Board of Management appointed after January 1, 2020, are not entitled to a company pension plan but instead receive a pension installment, which is paid out directly. The switchover from a defined contribution pension entitlement to a pension installment took place in 2020 when the compensation system was updated and was aimed at eliminating risks for Bayer in connection with company pension plans. Switching to a pension installment allows the company to avoid all the interest-rate and biometric risks involved in financing a pension entitlement, while also eliminating the complex actuarial calculations and administrative procedures involved. To ensure that newly appointed members of the Board of Management are not placed at a disadvantage, the size of the pension installment was set on the basis of the contribution level for the defined contribution benefit plan. The pension installment is equivalent to 40% of the respective base compensation. Through the changeover, the members of the Board of Management are responsible for making their own pension arrangements.

Members of the Board of Management appointed prior to January 1, 2020, retain their contribution-based pension entitlements. Bayer makes company contributions to complement the personal contributions of 2% up to the ceiling for statutory pension contributions in Germany. The company contributions are currently set at 2% to Rheinische Pensionskasse VVaG on fixed annual compensation up to the ceiling for statutory pension contributions in Germany. In addition, Bayer provides a hypothetical annual contribution equal to 42% of the amount by which the respective base compensation exceeds that ceiling. This percentage is comprised of a basic contribution of 6% and a matching contribution of 36%, which is four times the member's personal contribution of 9%. The total annual contribution is converted into a pension component according to the annuity table for the applicable tariff of the Rheinische Pensionskasse VVaG pension fund. The annual pension entitlement upon retirement is the total amount of the accumulated pension components including any investment bonus, the amount of which is determined annually based on the net return on the assets of the Rheinische Pensionskasse VVaG minus the minimum return (0.9%) on the contributions that is guaranteed under tariff 4 and approved by the German Financial Supervisory Authority (BaFin). Future pension payments are reviewed annually and adjusted in line with the respective entitlements.

If the contract of a member of the Board of Management is terminated due to permanent incapacity to work before he or she reaches the age of 60, an invalidity pension is granted.

In addition, a separate arrangement is in place for Board of Management member Julio Triana. Due to his split contract (30% Germany/70% Switzerland), he receives a pension installment amounting to 40% of his base compensation in Germany for his service on the Board of Management of Bayer AG. In Switzerland, he additionally participates in the local pension plan under his contract as head of Consumer Health at Bayer Consumer Care AG in Basel in line with the relevant provisions. It is a defined benefit plan in which contributions accumulate in an account and are then disbursed as a retirement annuity.

Certain assets are administered by Bayer Pension Trust e. V. under a contractual trust arrangement (CTA) to cover pension entitlements resulting from direct commitments in Germany. This provides substantial additional security – beyond the benefits from the Pension Insurance Association – for the respective pension entitlements of the Board of Management members and other managerial employees in Germany.

The service cost according to IFRS is calculated based on contractual obligations and actuarial assumptions. It reflects the amount, calculated actuarially, that was earned by the respective Board of Management member in the respective year through their work and that was recognized through profit or loss. It corresponds to the present value of the newly earned future pension payments, and is impacted by updated actuarial adjustments. The service cost does not reflect a payout amount or payments currently being made to Board of Management members. A lower discount rate at the start of the year, higher anticipated salary and pension increases, and a shorter vesting period in years are factors that result in a higher service cost.

The current service cost for the pension entitlements of the Board of Management members recognized in 2025 according to IFRS was €608 thousand (2024: €529 thousand). The table below shows the service cost according to IFRS and the settlement or present value of the pension obligations attributable to the individual members of the Board of Management:

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Pension entitlements according to IFRS

	Service cost/benefit expense (IFRS)		Present value of defined benefit pension obligation as of Dec. 31	
€ thousand	2024	2025	2024	2025
Serving members of the Board of Management as of December 31, 2025				
Contribution-based pension entitlements				
Wolfgang Nickl	118	151	1,346	1,486
Stefan Oelrich	131	152	1,304	1,449
Julio Triana	215	305	333	725

The service cost according to IFRS can fluctuate from one year to the next. The existing pension entitlements of a Board of Management member cannot legally be unilaterally adjusted by Bayer.

1.3.6 Caps on variable compensation components and total compensation

If targets are not attained, variable compensation can fall to as low as zero. However, if targets are clearly exceeded, the payout is limited to 200% (STI cap) or 250% (LTI cap) of the individual target amount.

In addition, the Supervisory Board has set an absolute amount in euros for the maximum total compensation granted in a fiscal year pursuant to Section 87a, Paragraph 1, Sentence 2, No. 1 of the German Stock Corporation Act (AktG). The maximum total annual compensation is set at €12 million for the Chairman of the Board of Management (CEO) and €7.5 million for the other members of the Board of Management. The maximum total compensation for a fiscal year includes all fixed and variable compensation components:

// Base compensation
// Fringe benefits
// Short-term variable cash compensation (STI)
// Long-term variable cash compensation (LTI)
// Pension installment or service cost according to IFRS for pension entitlement

Compliance with the specified thresholds for the maximum total compensation of Board of Management members cannot be reported on conclusively until all compensation components granted for a given fiscal year have been paid out. This means that for fiscal years 2023 to 2025, this can only be reported on after the respective LTI four-year performance periods have ended.

The respective actual compensation levels for the 2022 reference year were significantly below the established maximum compensation levels for all Board of Management members.

1.3.7 Malus and clawback provisions for variable compensation

In the event of gross misconduct or misrepresentation in financial reporting, the Supervisory Board has the discretion to withhold the STI and LTI (malus) or – if these have already been paid out – to require that they be repaid to the company (clawback).

In the event that a member of the Board of Management violates a substantial duty of care, significant obligations under his or her service contract, or other important operating principles such as those prescribed by the Code of Conduct for Members of the Board of Management or the Corporate Compliance Policy, the Supervisory Board may, in the proper exercise of its discretion, withhold all or part of the variable compensation that has not yet been paid out (malus). In addition, the Supervisory

Board may, in the proper exercise of its discretion, require that all or part of any gross amount that has already been paid out be repaid to the company (clawback).

Moreover, the members of the Board of Management are required to repay variable compensation already paid out if it is subsequently established that the audited and approved Consolidated Financial Statements on which the calculation of the respective payout was based were defective, with the amount to be repaid reflecting the corrections to be made. This applies even if the defectiveness of the Consolidated Financial Statements is not attributable to any fault on the part of the members of the Board of Management. Irrespective of the above, a legal basis also exists for payment reductions or regress in the event of a damaging breach of duty by members of the Board of Management.

In 2025, the Supervisory Board did not see any cause to reduce any variable compensation that had not yet been paid out (malus) or reclaim variable compensation that had already been paid out (clawback).

1.3.8 Share Ownership Guidelines

The Bayer Share Ownership Guidelines form an integral part of the compensation system, serving to ensure alignment between Board of Management and stockholder interests as well as to promote sustainable development. Under the Bayer Share Ownership Guidelines, members of the Board of Management are required to build substantial positions in Bayer shares within four years of joining the Board. The Chairman (CEO) must purchase shares to the value of 200% of base compensation, while the other Board of Management members must purchase shares to the value of 100% of their respective base compensation. They must then retain at least these shares for the remainder of their service on the Board of Management, and for two years thereafter. If they cannot provide evidence of this share ownership, they will not be entitled to payment of the LTI. The virtual shares allocated as part of the LTI program do not count toward the number of Bayer shares to be purchased under the Share Ownership Guidelines.

An overview of the current Share Ownership Guidelines can be found below:

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Share Ownership Guidelines – status

Serving members of the Board of Management as of December 31, 2025

Board of Management member	Target (% of base compensation)	End of position-building phase	Status
Bill Anderson	200%	March 31, 2027	In progress
Wolfgang Nickl	100%	April 25, 2022	Fulfilled
Stefan Oelrich	100%	October 31, 2022	Fulfilled
Heike Prinz	100%	August 31, 2027	Fulfilled
Rodrigo Santos	100%	December 31, 2025	Fulfilled
Julio Triana	100%	March 31, 2028	Fulfilled

1.3.9 Entitlements upon termination of service on the Board of Management

If the service contract of a member of the Board of Management is terminated before the end of the term of office – other than for cause – at the company's instigation, his or her entitlements under the service contract are fulfilled until the departure date.

Payments of variable compensation are made on the dates and at the conditions originally agreed, and are not brought forward. In doing so, Bayer observes the principles of good corporate governance: LTI allocations already granted are paid out to departing Board of Management members according to the original payment plans and calculated according to the previously agreed rules.

In line with the recommendations of the German Corporate Governance Code, the service contracts of the members of the Board of Management contain the provision that payments upon termination of service shall not exceed twice the annual compensation or the compensation amount for the remaining term of the contract if this is lower (severance cap).

Change of control

To ensure their independence, members of the Board of Management are also entitled to a severance payment in the event of a change of control as defined in the German Securities Acquisition and Takeover Act (WpÜG), provided certain narrow conditions are met. The entitlement to a severance payment only arises if the service contract is terminated by mutual agreement at the company's instigation or if the position of the Board of Management member is significantly affected by the change of control and he or she gives notice of termination within 12 months of the date of the change of control. The position of the Board of Management member is significantly affected if, in particular, one of the following conditions is fulfilled:

// Significant changes in the company's strategy
// Significant changes in his or her duties
// Significant changes in the company's legal form

In these cases, members of the Board of Management are entitled to a severance payment of 250% of annual base compensation, though this must not exceed the compensation for the remaining term of the respective contract. This entitlement does not exist if termination takes place for cause as defined in Section 626 of the German Civil Code (BGB).

Post-contractual noncompete agreements

Post-contractual noncompete agreements are in place with the members of the Board of Management, providing for indemnity payments to be made by the company for the two-year noncompete period. The indemnity payment for each of the two years amounts to 100% of a member's average base compensation for the 12 months preceding his or her departure. In the event a service contract is terminated early, any severance payment for the remaining part of the original term of the contract is deducted from the indemnity payment. Upon contract termination, the company may waive the post-contractual noncompete agreement, in which case no indemnity is paid.

Unfitness for work

In the event of temporary unfitness for work, members of the Board of Management continue to receive their contractually agreed compensation. If a Board of Management member has been continuously unfit for work for at least 18 months and is likely to be permanently incapable of fully performing his or her duties (permanent incapacity to work), the Supervisory Board may terminate his or her service contract early.

1.3.10 Payment for service on governance bodies and third-party compensation

Any compensation a member of the Board of Management receives for service on the supervisory board of a Bayer Group company is deducted from his or her base compensation. Any membership in a supervisory board of a company outside the Bayer Group must be approved in advance by the Supervisory Board. Where a member of the Board of Management serves on the supervisory board of a company outside the Bayer Group, the Supervisory Board of Bayer AG decides whether and to what extent a deduction is to be made. No deductions are being made for Board of Management members currently serving on external supervisory boards.

No member of the Board of Management received compensation from a third party in 2025 for serving on their management and/or supervisory boards.

1.4 Individual Board of Management compensation levels in 2025

1.4.1 Target compensation

The following tables show the individual target values, along with the minimum and maximum values, for the compensation components contractually agreed in 2025, including expenses for fringe benefits and pension entitlements, along with the relative shares of the individual compensation components.

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Target compensation (part I)

	Serving members of the Board of Management as of December 31, 2025									
	Bill Anderson[1] (Chairman/CEO)					Wolfgang Nickl (Finance)				
	Joined April 1, 2023					Joined April 26, 2018				
	2025 (€ thousand)	**2025 (%)**	**Min. 2025 (€ thousand)**	**Max.[2] 2025 (€ thousand)**	**2024 (€ thousand)**	**2025 (€ thousand)**	**2025 (%)**	**Min. 2025 (€ thousand)**	**Max.[2] 2025 (€ thousand)**	**2024 (€ thousand)**
Base compensation	2,250	24.4	2,250	2,250	2,250	1,013	26.5	1,013	1,013	975
Fringe benefits	461	5.0	461	461	67	157	4.1	157	157	159
Pension installment	900	9.7	900	900	900	–	–	–	–	–
Short-term variable cash compensation										
STI 2024	–	–	–	–	2,025	–	–	–	–	891
STI 2025	2,025	21.9	0	4,050	–	918	24.0	0	1,836	–
Long-term stock-based cash compensation										
LTI tranche 2024 (Jan. 1, 2024 – Dec. 31, 2027)	–	–	–	–	3,600	–	–	–	–	1,488
LTI tranche 2025 (Jan. 1, 2025 – Dec. 31, 2028)	3,600	39.0	0	9,000	–	1,585	41.5	0	3,962	–
Service cost/benefit expense (IFRS)	–	–	–	–	–	151	3.9	151	151	118
Total compensation	**9,236**	**100.0**	**3,611**	**16,661**	**8,842**	**3,824**	**100.0**	**1,321**	**7,119**	**3,631**

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Target compensation (part II)

	Serving members of the Board of Management as of December 31, 2025									
	Stefan Oelrich (Pharmaceuticals)					Heike Prinz (Labor Director)				
	Joined Nov. 1, 2018					Joined Sept. 1, 2023				
	2025 (€ thousand)	**2025 (%)**	**Min. 2025 (€ thousand)**	**Max.[2] 2025 (€ thousand)**	**2024 (€ thousand)**	**2025 (€ thousand)**	**2025 (%)**	**Min. 2025 (€ thousand)**	**Max.[2] 2025 (€ thousand)**	**2024 (€ thousand)**
Base compensation	1,013	26.7	1,013	1,013	975	1,013	25.5	1,013	1,013	975
Fringe benefits	124	3.3	124	124	198	46	1.2	46	46	46
Pension installment	–	–	–	–	–	405	10.2	405	405	390
Short-term variable cash compensation										
STI 2024	–	–	–	–	891	–	–	–	–	891
STI 2025	918	24.2	0	1,836	–	918	23.1	0	1,836	–
Long-term stock-based cash compensation										
LTI tranche 2024 (Jan. 1, 2024 – Dec. 31, 2027)	–	–	–	–	1,488	–	–	–	–	1,488
LTI tranche 2025 (Jan. 1, 2025 – Dec. 31, 2028)	1,585	41.8	0	3,962	–	1,585	40.0	0	3,962	–
Service cost/benefit expense (IFRS)	152	4.0	152	152	131	–	–	–	–	–
Total compensation	**3,792**	**100.0**	**1,289**	**7,087**	**3,683**	**3,967**	**100.0**	**1,464**	**7,262**	**3,790**

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Target compensation (part III)

	Serving members of the Board of Management as of December 31, 2025									
	Rodrigo Santos (Crop Science)					Julio Triana[3, 4] (Consumer Health)				
	Joined Jan. 1, 2022					Joined April 1, 2024				
	2025 (€ thousand)	**2025 (%)**	**Min. 2025 (€ thousand)**	**Max.[2] 2025 (€ thousand)**	**2024 (€ thousand)**	**2025 (€ thousand)**	**2025 (%)**	**Min. 2025 (€ thousand)**	**Max.[2] 2025 (€ thousand)**	**2024 (€ thousand)**
Base compensation	1,013	25.6	1,013	1,013	975	1,013	25.2	1,013	1,013	743
Fringe benefits	26	0.7	26	26	26	75	1.9	75	75	131
Pension installment	405	10.3	405	405	390	122	3.0	122	122	89
Short-term variable cash compensation										
STI 2024	–	–	–	–	891	–	–	–	–	669
STI 2025	918	23.3	0	1,836	–	918	22.8	0	1,836	–
Long-term stock-based cash compensation										
LTI tranche 2024 (Jan. 1, 2024 – Dec. 31, 2027)	–	–	–	–	1,488	–	–	–	–	1,486
LTI tranche 2025 (Jan. 1, 2025 – Dec. 31, 2028)	1,585	40.1	0	3,962	–	1,585	39.5	0	3,962	–
Service cost/benefit expense (IFRS)	–	–	–	–	–	305	7.6	305	305	215
Total compensation	**3,947**	**100.0**	**1,444**	**7,242**	**3,770**	**4,018**	**100.0**	**1,515**	**7,313**	**3,333**

[1] Bill Anderson's fringe benefits for 2025 include an amount of €303 thousand relating to tax consultancy costs and the tax on the respective benefit in kind.
[2] The maximum figures shown here do not yet take into account the caps on total compensation.
[3] In cases where Board of Management appointments began during the year, target compensation is presented on a pro rata temporis basis from the appointment date.
[4] Julio Triana's fringe benefits include relocation assistance costs of €111 thousand for 2024 and €49 thousand for 2025.

1.4.2 Compensation awarded and due

The tables below show all fixed and variable compensation components along with their respective relative shares for each member of the Board of Management. Awarded compensation encompasses compensation for services that have been fully rendered once the fiscal year ends, even though actual payment will not be made until the subsequent fiscal year. Due compensation comprises compensation that is legally due but has not yet actually been paid out to the Board of Management member.

The payout amounts for the 2025 STI and the Aspire 3.0 tranche issued in 2022 are included in the 2025 table for compensation awarded and due, since the respective Board of Management member had fully rendered the services on which the respective compensation is based during the one- and four-year periods. The fact that the payouts will not actually be made until the subsequent year is overlooked in order to present the link between the compensation and performance of the Board of Management in the same period.

The service cost according to IFRS is additionally shown as a part of Board of Management compensation, even though it does not constitute awarded or due compensation within the meaning of Section 162 of the German Stock Corporation Act (AktG).

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Compensation awarded and due (part I)

	Serving members of the Board of Management as of December 31, 2025					
	Bill Anderson[1] (Chairman/CEO) Joined April 1, 2023			Wolfgang Nickl (Finance) Joined April 26, 2018		
	2025 (€ thousand)	**2025 (%)**	**2024 (€ thousand)**	**2025 (€ thousand)**	**2025 (%)**	**2024 (€ thousand)**
Base compensation	2,250	37.1	2,250	1,013	37.0	975
Fringe benefits	461	7.6	67	157	5.7	159
Pension installment	900	14.9	900	–	–	–
Short-term variable cash compensation						
STI 2024	–	–	1,602	–	–	705
STI 2025	2,451	40.4	–	1,162	42.4	–
Long-term stock-based cash compensation						
Aspire 3.0 2021 (Jan. 1, 2021 – Dec. 31, 2024)	–	–	–	–	–	267
Aspire 3.0 2022 (Jan. 1, 2022 – Dec. 31, 2025)	–	–	–	409	14.9	–
Total compensation awarded and due	**6,062**	**100.0**	**4,819**	**2,741**	**100.0**	**2,106**
Service cost/benefit expense (IFRS)	–		–	151		118
Total compensation	**6,062**		**4,819**	**2,892**		**2,224**

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Compensation awarded and due (part II)

	Serving members of the Board of Management as of December 31, 2025					
	Stefan Oelrich (Pharmaceuticals) Joined Nov. 1, 2018			Heike Prinz (Labor Director) Joined Sept. 1, 2023		
	2025 (€ thousand)	**2025 (%)**	**2024 (€ thousand)**	**2025 (€ thousand)**	**2025 (%)**	**2024 (€ thousand)**
Base compensation	1,013	36.5	975	1,013	38.9	975
Fringe benefits	124	4.5	198	46	1.8	46
Pension installment	–	–	–	405	15.5	390
Short-term variable cash compensation						
STI 2024	–	–	705	–	–	705
STI 2025	1,212	43.7	–	1,111	42.6	–
Long-term stock-based cash compensation[2]						
Aspire 3.0 2021 (Jan. 1, 2021 – Dec. 31, 2024)	–	–	285	–	–	18
Aspire 3.0 2022 (Jan. 1, 2022 – Dec. 31, 2025)	423	15.3	–	31	1.2	–
Total compensation awarded and due	**2,772**	**100.0**	**2,163**	**2,606**	**100.0**	**2,134**
Service cost/benefit expense (IFRS)	152		131	–		–
Total compensation	**2,924**		**2,294**	**2,606**		**2,134**

C 1.4/6

Compensation awarded and due (part III)

	Serving members of the Board of Management as of December 31, 2025					
			Rodrigo Santos (Crop Science) Joined Jan. 1, 2022			Julio Triana[3] (Consumer Health) Joined April 1, 2024
	2025 (€ thousand)	**2025 (%)**	**2024 (€ thousand)**	**2025 (€ thousand)**	**2025 (%)**	**2024 (€ thousand)**
Base compensation	1,013	34.0	975	1,013	47.0	743
Fringe benefits	26	0.9	26	75	3.5	131
Pension installment	405	13.6	390	122	5.7	89
Short-term variable cash compensation						
STI 2024	–	–	641	–	–	481
STI 2025	1,111	37.3	–	909	42.1	–
Long-term stock-based cash compensation[2]						
Aspire 3.0 2021 (Jan. 1, 2021 – Dec. 31, 2024)	–	–	23	–	–	22
Aspire 3.0 2022 (Jan. 1, 2022 – Dec. 31, 2025)	423	14.2	–	36	1.7	–
Total compensation awarded and due	**2,978**	**100.0**	**2,055**	**2,155**	**100.0**	**1,466**
Service cost/benefit expense (IFRS)	–		–	305		215
Total compensation	**2,978**		**2,055**	**2,460**		**1,681**

[1] Bill Anderson's fringe benefits for 2025 include an amount of €303 thousand relating to tax consultancy costs and the tax on the respective benefit in kind.

[2] The LTI tranches granted to Heike Prinz, Rodrigo Santos and Julio Triana prior to their appointment to the Board of Management are included in awarded compensation.

[3] Julio Triana's fringe benefits include relocation assistance costs of €111 thousand for 2024 and €49 thousand for 2025.

C 1.4/7

Compensation awarded and due to former Board of Management members (part I)

	Sarena Lin Stepped down: Aug. 31, 2023		Werner Baumann[1, 2] Stepped down: May 31, 2023		Liam Condon Stepped down: Dec. 31, 2021	
	2025 (€ thousand)	**2025 (%)**	**2025 (€ thousand)**	**2025 (%)**	**2025 (€ thousand)**	**2025 (%)**
Long-term stock-based cash compensation[3]	(232)	–55.6	(460)	–72.6	(1,411)	100.0
Pension payments	–	–	355	56.0	–	–
Other compensation[4]	649	155.6	739	116.6	–	–
Total compensation awarded and due	**417**	**100.0**	**634**	**100.0**	**(1,411)**	**100.0**

C 1.4/8

Compensation awarded and due to former Board of Management members (part II)

	Dr. Hartmut Klusik[2] Stepped down: Dec. 31, 2019		Kemal Malik Stepped down: Dec. 31, 2019		Johannes Dietsch[2] Stepped down: May 31, 2018	
	2025 (€ thousand)	**2025 (%)**	**2025 (€ thousand)**	**2025 (%)**	**2025 (€ thousand)**	**2025 (%)**
Long-term stock-based cash compensation[3]	–	–	(999)	100.0	–	–
Pension payments	79	100.0	–	–	291	100.0
Other compensation	–	–	–	–	–	–
Total compensation awarded and due	**79**	**100.0**	**(999)**	**100.0**	**291**	**100.0**

C 1.4/9

Compensation awarded and due to former Board of Management members (part III)

	Dr. Marijn Dekkers Stepped down: April 30, 2016	
	2025 (€ thousand)	**2025 (%)**
Long-term stock-based cash compensation	–	–
Pension payments	787	100.0
Other compensation	–	–
Total compensation awarded and due	**787**	**100.0**

[1] Under his termination agreement in 2023, Werner Baumann was granted the option of receiving his pension entitlements from Bayer AG or its subsidiaries as a one-time payment (excluding the entitlements existing with the Bayer-Pensionskasse pension fund). If he exercises this option, which is available until December 31, 2027, the pension entitlements will be settled with a one-time payment in the amount of the provisions established according to IFRS.

[2] Includes pension payments from Bayer-Pensionskasse VVaG.

[3] The figure shown here is the difference between the fair value of the long-term stock-based cash compensation that was originally reported in the respective Compensation Report when the member stepped down from the Board of Management, and the actual payout amount in the year in which payment is made.

[4] "Other compensation" includes indemnity payments of €600 thousand for Sarena Lin and €739 thousand for Werner Baumann.

2. Compensation of the Supervisory Board

Supervisory Board compensation is based on the relevant provisions of the Articles of Incorporation and is established by resolution of the Annual Stockholders' Meeting. The current Supervisory Board compensation system was initially approved at the Annual Stockholders' Meeting held on April 27, 2021, and was reapproved at the Annual Stockholders' Meeting on April 25, 2025.

2.1 Principles applied for Supervisory Board compensation

A company's Supervisory Board is tasked with advising and supervising the Board of Management, which directs the company and its business on its own responsibility. Pursuant to Section 113, Paragraph 1, Sentence 3 of the German Stock Corporation Act (AktG), the compensation of Supervisory Board members should bear a reasonable relation to their tasks and the company's situation. In setting Supervisory Board compensation, consideration should be given to the demands of the office of the Supervisory Board member, the time involved and the responsibility borne by the Supervisory Board members for the company. Appropriate Supervisory Board compensation ensures that a company will remain able to attract outstandingly qualified domestic and international candidates as Supervisory Board members. Supervisory Board compensation thus contributes sustainably to advancing a company's business strategy and to its long-term development.

2.2 Design of Supervisory Board compensation

The members of the Supervisory Board receive fixed annual compensation and additional compensation for chairing and membership of Supervisory Board committees, plus reimbursement of their expenses. In accordance with the recommendations of the German Corporate Governance Code, additional compensation is paid to the Chairman and Vice Chairwoman of the Supervisory Board, and for chairing and membership of committees. In addition, Supervisory Board members receive an attendance fee each time they take part in a meeting of the Supervisory Board or of a committee.

C 2.2/1

Design of Supervisory Board compensation

Compensation element	
Fixed compensation	• Chairperson: €480,000 • Vice Chairperson: €320,000 • Ordinary member: €160,000
Compensation for committee duties	• Chairperson and Vice Chairperson of the Supervisory Board do not receive any additional compensation for membership or chairing of committees • Compensation for committee duties is paid for a maximum of three committees (highest-paying functions taken into account)
Audit Committee	• Chairperson: €120,000 • Member: €60,000
Presidial Committee	• Chairperson: €40,000 • Member: €20,000
Nomination Committee	• Chairperson: €40,000 • Member: €20,000
Other committees	• Chairperson: €60,000 • Member: €30,000
Attendance fees	• €1,500 (for each meeting attended in person, by phone or virtually)[1]

[1] If multiple meetings are held on one day, only one attendance fee is paid.

The members of the Supervisory Board have been asked to give a voluntary pledge that, in the first five years of their Supervisory Board membership, they will each purchase Bayer shares to the value of 25% of their pretax fixed compensation, including any additional compensation for committee duties, and hold these shares for as long as they remain members. This does not apply to members who, under a service or employment contract, are prevented from purchasing shares, or who transfer at least 85% of their fixed annual compensation and additional compensation to the Hans Böckler Foundation in accordance with the rules of the German Trade Union Confederation, or whose service or employment contract requires them to transfer such compensation to their employer. If less than 85% of the fixed compensation is transferred, the voluntary pledge applies to the portion not transferred. With the exception of Jeffrey Ubben, who indirectly holds a significant number of Bayer shares through a fund controlled by him, all members of the Supervisory Board have given the voluntary pledge and complied with it in 2025. By voluntarily pledging to invest in and hold Bayer shares, the Supervisory Board members reinforce their interest in the company's long-term success. The tables below show the components of the compensation awarded and due to each Supervisory Board member as well as the relative shares of the respective components in overall compensation. Awarded compensation encompasses compensation for services that have been fully rendered once the fiscal year ends.

2.3 Compensation awarded and due

C 2.3/1

Compensation awarded and due (part I)

	Fixed compensation			Compensation for committee duties		
		2025	2024		2025	2024
Serving Supervisory Board members as of Dec. 31, 2025	**€ thousand**	**%**	**€ thousand**	**€ thousand**	**%**	**€ thousand**
Dr. Paul Achleitner	160	68.7	160	50	21.4	50
Horst Baier	160	47.6	160	150	44.7	150
André van Broich	160	57.3	160	90	32.3	90
Ertharin Cousin	160	66.7	160	60	25.0	73
Nadine Dietz[1]	160	65.6	–	67	27.4	–
Yasmin Fahimi	160	77.3	160	30	14.5	30
Colleen A. Goggins	160	68.7	160	50	21.4	50
Francesco Grioli	160	80.8	160	20	10.1	20
Heike Hausfeld (Vice Chairwoman)	320	91.4	320	–	0.0	–
Frank Löllgen	160	59.7	160	90	33.6	90
Marianne Maehl[2]	160	93.0	53	–	0.0	–
Kimberly Mathisen	160	68.4	160	50	21.3	27
Andrea Sacher	160	65.6	160	60	24.6	60
Claudia Schade	160	76.2	160	30	14.3	10
Lori Schechter[3]	160	52.6	109	120	39.5	67
Dr. Nancy Simonian[3]	160	76.9	109	30	14.4	16
Jeffrey Ubben[3]	160	58.6	109	90	33.0	50
Alberto Weisser	160	71.8	160	40	17.9	58
Michael Westmeier	160	66.4	160	60	24.9	33
Prof. Dr. Norbert Winkeljohann (Chairman)	480	92.7	480	–	0.0	–
Supervisory Board members who stepped down in 2024 and 2025						
Dr. Simone Bagel-Trah[4]	–	–	51	–	–	16
Dr. Norbert W. Bischofberger[4]	–	–	51	–	–	10
Dr. Barbara Gansewendt[5]	–	–	160	–	–	71
Heinz Georg Webers[6]	–	–	107	–	–	20
Prof. Dr. Otmar D. Wiestler[4]	–	–	51	–	–	19

C 2.3/2

Compensation awarded and due (part II)

	Attendance fees			Total compensation	
		2025	2024	2025	2024
Serving Supervisory Board members as of Dec. 31, 2025	**€ thousand**	**%**	**€ thousand**	**€ thousand**	**€ thousand**
Dr. Paul Achleitner	23	9.9	21	233	231
Horst Baier	26	7.7	21	336	331
André van Broich	29	10.4	21	279	271
Ertharin Cousin	20	8.3	15	240	248
Nadine Dietz[1]	17	7.0	–	244	–
Yasmin Fahimi	17	8.2	12	207	202
Colleen A. Goggins	23	9.9	17	233	227
Francesco Grioli	18	9.1	14	198	194
Heike Hausfeld (Vice Chairwoman)	30	8.6	27	350	347
Frank Löllgen	18	6.7	18	268	268
Marianne Maehl[2]	12	7.0	5	172	58
Kimberly Mathisen	24	10.3	14	234	201
Andrea Sacher	24	9.8	20	244	240
Claudia Schade	20	9.5	11	210	181
Lori Schechter[3]	24	7.9	12	304	188
Dr. Nancy Simonian[3]	18	8.7	8	208	133
Jeffrey Ubben[3]	23	8.4	12	273	171
Alberto Weisser	23	10.3	18	223	236
Michael Westmeier	21	8.7	15	241	208
Prof. Dr. Norbert Winkeljohann (Chairman)	38	7.3	30	518	510
Supervisory Board members who stepped down in 2024 and 2025					
Dr. Simone Bagel-Trah[4]	–	–	8	–	75
Dr. Norbert W. Bischofberger[4]	–	–	6	–	67
Dr. Barbara Gansewendt[5]	–	–	21	–	252
Heinz Georg Webers[6]	–	–	9	–	136
Prof. Dr. Otmar D. Wiestler[4]	–	–	6	–	76

The individual figures in the table are rounded. Without rounding, fixed compensation totaled €3,680 thousand, compensation for committee duties totaled €1,087 thousand, attendance fees totaled €443 thousand, and total compensation amounted to €5,210 thousand overall.

[1] Member of the Supervisory Board since January 1, 2025
[2] Member of the Supervisory Board since September 1, 2024
[3] Member of the Supervisory Board since April 26, 2024
[4] Member of the Supervisory Board until April 26, 2024
[5] Member of the Supervisory Board until December 31, 2024
[6] Member of the Supervisory Board until August 31, 2024

No compensation was paid or benefits granted to members of the Supervisory Board for personally performed services such as consultancy or agency services. The company has purchased insurance for the members of the Supervisory Board to cover their personal liability arising from their service on the Supervisory Board.

3. Development of Financial Performance and Annual Change in Compensation – Comparative Overview

The table below provides an overview of the development of the compensation awarded and due to current and former members of the Board of Management and Supervisory Board, the development of the average compensation of the employees, and the development of selected financial performance indicators of the Bayer Group and Bayer AG over the past five years.

The former members of the Board of Management shown below include all members who stepped down in the last 10 years, while the Supervisory Board members include all members to whom compensation was awarded or due for 2025.

The compensation shown below for the employees, nonmanagerial employees and overall workforce in Germany includes the employees of Bayer AG, Leverkusen, Bayer Intellectual Property GmbH, Monheim am Rhein, and Pallas Versicherung Aktiengesellschaft, Leverkusen.

C 3/1

Development of compensation and financial performance – comparative overview

€ thousand	2021	2022	2023	2024	2025
Serving Board of Management members in 2025					
Bill Anderson (Chairman/CEO)	–	–	6,492	4,819	6,062
Wolfgang Nickl	2,996	2,908	1,290	2,106	2,741
Stefan Oelrich	3,644	2,584	1,254	2,163	2,772
Heike Prinz	–	–	550	2,134	2,606
Rodrigo Santos	–	2,836	1,396	2,055	2,978
Julio Triana	–	–	–	1,466	2,155
Former Board of Management members					
Werner Baumann[1, 2]	5,702	5,440	7,637	2,086	634
Liam Condon[1, 2]	8,249	–	155	(383)	(1,411)
Dr. Marijn Dekkers	650	664	716	769	787
Johannes Dietsch[1]	(345)	12	120	203	291
Dr. Hartmut Klusik[1]	(292)	(136)	(625)	79	79
Sarena Lin[1, 2]	3,709	3,259	5,501	825	417
Kemal Malik[1]	(363)	(223)	(711)	(1,033)	(999)
Erica Mann[1]	(282)	(131)	–	–	–
Heiko Schipper	3,173	2,813	1,449	521	–
Dieter Weinand[1]	(450)	(234)	–	–	–

C 3/1 (continued)

Development of compensation and financial performance – comparative overview

€ thousand	2021	2022	2023	2024	2025
Serving Supervisory Board members in 2025					
Dr. Paul Achleitner	237	242	225	231	233
Horst Baier	322	307	333	331	336
André van Broich	247	274	271	271	279
Ertharin Cousin	182	274	270	248	240
Nadine Dietz (from Jan. 1, 2025)	–	–	–	–	244
Yasmin Fahimi	–	35	202	202	207
Colleen A. Goggins	208	236	225	227	233
Francesco Grioli	–	132	192	194	198
Heike Hausfeld (Vice Chairwoman)	191	310	346	347	350
Frank Löllgen	246	271	268	268	268
Marianne Maehl	–	–	–	58	172
Kimberly Mathisen	–	59	169	201	234
Andrea Sacher	160	234	238	240	244
Claudia Schade	–	119	172	181	210
Lori Schechter	–	–	–	188	304
Dr. Nancy Simonian	–	–	–	133	208
Jeffrey Ubben	–	–	–	171	273
Alberto Weisser	164	256	264	236	223
Michael Westmeier	-	119	172	208	241
Prof. Dr. Norbert Winkeljohann (Chairman)	473	510	509	510	518
Employees					
Average compensation for employees[3]	104	122	123	110	122
Financial performance					
EBITDA before special items (€ million) (Bayer Group)	11,179	13,513	11,706	10,123	9,669
Core earnings per share (€)	6.51	7.94	6.39	5.05	4.91
Net income/loss (Bayer AG)	4,110	4,764	5,150	7,328	116

[1] There is always a difference between the compensation awarded in previous years (due to a Board of Management member having fully performed their work duties up until their departure) and the actual payout effected years later under an LTI program. If the actual payout is lower than the awarded compensation shown for the previous years, it results in a negative amount being presented. If the payout is higher than the awarded compensation originally shown, it results in a positive amount being presented. Since the payout is only ever effected in the year after the four-year performance period ends, the above difference is not shown as awarded until the year of the payout in the case of departed Board of Management members. For serving Board of Management members, however, this takes place in the fourth year of the performance period. As such, pursuant to Section 162 of the German Stock Corporation Act (AktG), no awarded compensation is usually shown for former Board of Management members in the year after they step down.

[2] During the last year of service on the Board of Management, various agreements may potentially be reached under the respective termination agreements with respect to severance payments to cover compensation components already granted as well as indemnity payments. The severance payments cover, for example, base compensation, STI and LTI and pension entitlements granted to them under their original Board of Management contract until its termination.

[3] For technical reasons, the average compensation paid to employees is presented on an FTE basis. The average compensation of managerial and nonmanagerial employees comprises base compensation (for nonmanagerial employees under collective bargaining agreements: annual salary plus any shift bonuses and allowances depending on the position; for other employee groups: annual functional income), the annual bonus paid out in the fiscal year (short-term incentive (STI) payout based on actual target attainment in prior year), and the four-year stock-based compensation paid out in the fiscal year (where the respective employee groups are eligible to participate). For nonmanagerial employees, the 13th monthly salary and the contractually agreed vacation bonus were taken into account. Fringe benefits taken into account comprised employer contributions to social insurance and, for eligible employee groups, the allowance provided for a company car. Expenditures for other fringe benefits (such as home security equipment or indemnity payments for lapsed variable compensation components granted by former employers) were not taken into account due to their irregular nature.

Report of the Independent Auditor

To Bayer Aktiengesellschaft, Leverkusen/Germany

We have audited the accompanying compensation report of Bayer Aktiengesellschaft, Leverkusen/Germany, ("the Company") for the financial year from January 1 to December 31, 2025, including the related disclosures, which has been prepared to comply with Section 162 German Stock Corporation Act (AktG). We have not audited the content of the foreword by the chairman of the supervisory board, which goes beyond the scope of Section 162 AktG, nor the section "Overview of Compensation in 2025."

Responsibilities of the Executive Directors and of the Supervisory Board
The executive directors and the supervisory board of Bayer Aktiengesellschaft, Leverkusen/Germany, are responsible for the preparation of the compensation report, including the related disclosures, that complies with the requirements of Section 162 AktG. The executive directors and the supervisory board are also responsible for such internal control as they consider necessary to enable the preparation of a compensation report, including the related disclosures, that is free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

Auditor's Responsibilities
Our responsibility is to express an opinion on this compensation report, including the related disclosures, based on our audit. We conducted our audit in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). These Standards require that we fulfill the professional responsibilities and that we plan and perform the audit so that we obtain reasonable assurance as to whether the compensation report, including the related disclosures, is free from material misstatements.

An audit involves performing audit procedures in order to obtain audit evidence for the amounts stated in the compensation report, including the related disclosures. The choice of the audit procedures is subject to the auditor's professional judgment. This includes assessing the risk of material misstatement, whether due to fraud or error, in the compensation report, including the related disclosures. In assessing these risks, the auditor considers the system of internal control, which is relevant to preparing the compensation report, including the related disclosures. Our objective is to plan and perform audit procedures that are appropriate in the circumstances, but not to express an audit opinion on the effectiveness of the Company's system of internal control. An audit also comprises an evaluation of the accounting policies used, of the reasonableness of accounting estimates made by the executive directors and the supervisory board as well as an evaluation of the overall presentation of the compensation report, including the related disclosures.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion
In our opinion, on the basis of the knowledge obtained in the audit, the compensation report for the financial year from January 1 to December 31, 2025, including the related disclosures, complies, in all material respects, with the accounting principles of Section 162 AktG. Our audit opinion on the compensation report does not cover the content of the above-mentioned foreword by the chairman of the supervisory board, which goes beyond the scope of Section 162 AktG, nor the section "Overview of Compensation in 2025."

Other Matter – Formal Audit of the Compensation Report

The audit of the content of the compensation report described in this report comprises the formal audit of the compensation report required under Section 162 (3) AktG, including the issuance of a report on this audit. Since our audit opinion on the audit of the content of the compensation report is unmodified, this audit opinion includes that the disclosures required under Section 162 (1) and (2) AktG are contained, in all material respects, in the compensation report.

Other Information

The supervisory board is responsible for the other information. The other information comprises the foreword by the chairman of the supervisory board on the compensation report and the section "Overview of Compensation in 2025."

Our audit opinion on the compensation report does not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information identified above and, in doing so, to consider whether the other information

// is materially inconsistent with the compensation report or our knowledge obtained in the audit of the compensation report, or
// otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Intended Use of the Report

We issue this report as stipulated in the engagement letter agreed with the Company. The audit has been performed for the purposes of the Company and the report is solely intended to inform the Company about the result of the audit.

Liability

This report is not intended to be used by third parties as a basis for any (asset) decision. We are liable solely to Bayer Aktiengesellschaft, Leverkusen/Germany, and our liability is also governed by the engagement letter dated November 3 and 5, 2025 agreed with the Company as well as the "General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms)" promulgated by the Institut der Wirtschaftsprüfer (IDW) in the version dated January 1, 2024 (IDW-AAB). We do not accept or assume liability to third parties.

Munich/Germany, March 2, 2026

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Signed:
Andreas Wermelt
Wirtschaftsprüfer
(German Public Auditor)

Signed:
Silvia Geberth
Wirtschaftsprüferin
(German Public Auditor)

D Further Information

Governance Bodies

Supervisory Board

Members of the Supervisory Board held office as members of the supervisory board or a comparable supervising body of the corporations listed below (as of December 31, 2025, unless otherwise indicated):

Norbert Winkeljohann[1]
Osnabrück, Germany
(born November 5, 1957)

Chairman of the Supervisory Board effective April 2020

Member of the Supervisory Board effective May 2018

Independent management consultant

Memberships on other supervisory boards:

- Bohnenkamp SE (Chairman)
- Deutsche Bank AG[4] (Vice Chairman)
- Georgsmarienhütte Holding GmbH (until September 2025)
- Sievert SE (Chairman)

Heike Hausfeld
Leverkusen, Germany
(born September 19, 1965)

Vice Chairwoman of the Supervisory Board effective April 2022

Member of the Supervisory Board effective April 2017

Chairwoman of the Bayer Central Works Council

Paul Achleitner
Munich, Germany
(born September 28, 1956)

Member of the Supervisory Board effective April 2002

Investor

Memberships in comparable supervising bodies of German or foreign corporations:

- Henkel AG & Co. KGaA[4] (Shareholders' Committee)

Horst Baier[2]
Hanover, Germany
(born October 20, 1956)

Member of the Supervisory Board effective April 2020

Independent consultant

Memberships in comparable supervising bodies of German or foreign corporations:

- DIAKOVERE gGmbH
- Ecclesia Holding GmbH
- Whitbread PLC[4] (Board of Directors)

André van Broich
Dormagen, Germany
(born June 19, 1970)

Member of the Supervisory Board effective April 2012

Chairman of the Bayer Group Works Council

Chairman of the Bayer European Forum

Ertharin Cousin
Chicago, USA
(born May 12, 1957)

Member of the Supervisory Board effective October 2019

Independent consultant

Memberships in comparable supervising bodies of German or foreign corporations:

- Allwyn North America, Inc. (Board of Directors)
- Mondelēz International, Inc.[4] (Board of Directors)

Nadine Dietz
Bergisch Gladbach, Germany
(born August 5, 1974)

Member of the Supervisory Board effective January 2025

Chairwoman of the Bayer Group Executives' Committee

Vice Chairwoman of the Executives' Committee of Bayer AG Leverkusen/Monheim

Yasmin Fahimi
Hanover, Germany
(born December 25, 1967)

Member of the Supervisory Board effective October 2022

Chairwoman of the German Trade Union Confederation

Memberships on other supervisory boards:

- Telefónica Deutschland Holding AG[4]

Memberships in comparable supervising bodies of German or foreign corporations:

- Kreditanstalt für Wiederaufbau AöR (Board of Supervisory Directors)

Colleen A. Goggins
Princeton, USA
(born September 9, 1954)

Member of the Supervisory Board effective April 2017

Independent consultant

Memberships in comparable supervising bodies of German or foreign corporations:

- IQVIA Holdings, Inc.[4] (Board of Directors)
- The Toronto-Dominion Bank[4] (Board of Directors) (until April 2025)
- TD Bank US Holding Company[5] (Board of Directors) (until April 2025)
- TD Bank, N.A.[5] (Board of Directors) (until April 2025)
- TD Bank USA, N.A.[5] (Board of Directors) (until April 2025)

Francesco Grioli
Ronnenberg, Germany
(born April 22, 1972)

Member of the Supervisory Board effective April 2022

Member of the Executive Main Board of the German Mining, Chemical and Energy Industrial Union

Memberships on other supervisory boards:

- Continental AG[4]

Frank Löllgen
Cologne, Germany
(born June 14, 1961)

Member of the Supervisory Board effective November 2015

North Rhine District Secretary of the German Mining, Chemical and Energy Industrial Union

Memberships on other supervisory boards:

- Covestro AG[4]
- Covestro Deutschland AG

Marianne Maehl
Egelsbach, Germany
(born July 18, 1965)

Member of the Supervisory Board effective September 2024

Chairwoman of the Works Council of the Bayer Frankfurt am Main site

Kimberly Mathisen
Oslo, Norway
(born May 24, 1972)

Member of the Supervisory Board effective September 2022

Chief Executive Officer of HUB Ocean

Memberships in comparable supervising bodies of German or foreign corporations:

- Aker BioMarine ASA[4, 6] (Board of Directors)
- Aker Horizons ASA[4, 6] (Board of Directors)
- Aize AS[6] (Board of Directors)
- Havfonn AS (Board of Directors) (since June 2025)

Andrea Sacher
Berlin, Germany
(born May 8, 1981)

Member of the Supervisory Board effective September 2020

Chairwoman of the Works Council of the Bayer Berlin site

Vice Chairwoman of the Bayer Central Works Council

Claudia Schade
Leverkusen, Germany
(born December 20, 1978)

Member of the Supervisory Board effective April 2022

Chairwoman of the Works Council of the Bayer Leverkusen site

Lori Schechter
Dallas, USA
(born October 13, 1961)

Member of the Supervisory Board effective April 2024

Independent consultant

Nancy Simonian
Cambridge, USA
(born December 14, 1960)

Member of the Supervisory Board effective April 2024

Independent consultant

Memberships in comparable supervising bodies of German or foreign corporations:

- Alltrna, Inc. (Board of Directors)
- Generate Biomedicines, Inc. (Board of Directors)
- Syros Pharmaceuticals, Inc.[4] (Board of Directors) (until February 2025)

Jeffrey Ubben
Healdsburg, USA
(born July 19, 1961)

Member of the Supervisory Board effective April 2024

Founder, Portfolio Manager and Managing Partner at Inclusive Capital Partners, L.P.

Memberships in comparable supervising bodies of German or foreign corporations:

- Aircela, Inc. (Board of Directors)
- Arcadia Power, Inc. (Board of Directors)
- Exxon Mobil Corporation[4] (Board of Directors)
- Noodle Corporation (Board of Directors) (effective January 2025)
- Growers Edge Financial, Inc. (Board of Directors) (effective March 2025)

Alberto Weisser
Igrejinha, Portugal
(born June 26, 1955)

Member of the Supervisory Board effective April 2021

Senior Consultant at Temasek International Pte. Ltd.

Memberships in comparable supervising bodies of German or foreign corporations:

- Linde plc[4] (Board of Directors)
- PepsiCo, Inc.[4] (Board of Directors)

Michael Westmeier
Leverkusen, Germany
(born August 3, 1972)

Member of the Supervisory Board effective April 2022

Chairman of the Works Council of Bayer Vital GmbH

Vice Chairman of the Bayer Group Works Council

Memberships on other supervisory boards:

- Bayer Vital GmbH

Standing committees of the Supervisory Board of Bayer AG (as of December 31, 2025)

Presidial Committee/ Mediation Committee
Winkeljohann[1, 3] (Chairman), Achleitner[3], Dietz, Grioli[3], Hausfeld[3], Weisser

Audit Committee
Baier[2] (Chairman), Dietz, Hausfeld, Löllgen, Schechter, Ubben, Westmeier, Winkeljohann[1]

Human Resources and Compensation Committee
Winkeljohann[1] (Chairman), Baier[2], Hausfeld, Sacher, Simonian, van Broich

Nomination Committee
Winkeljohann[1] (Chairman), Goggins, Mathisen, Weisser

Legal Risk Committee
Schechter (Chairwoman), Achleitner, Hausfeld, Löllgen, Sacher, Ubben, van Broich, Winkeljohann[1]

ESG Committee
Cousin (Chairwoman), Fahimi, Goggins, Hausfeld, Mathisen, Schade, van Broich, Winkeljohann[1]

[1] Expert member in the field of auditing pursuant to Section 100, Paragraph 5 of the German Stock Corporation Act (AktG)

[2] Expert member in the field of accounting pursuant to Section 100, Paragraph 5 of the German Stock Corporation Act (AktG)

[3] Members of the Mediation Committee

[4] Listed company

[5] Toronto-Dominion Bank group

[6] Aker group

Board of Management

Members of the Board of Management held office as members of the supervisory board or a comparable supervising body of the corporations listed below (as of December 31, 2025, unless otherwise indicated):

William N. (Bill) Anderson
(born August 23, 1966)

Member of the Board of Management effective April 1, 2023, appointed until March 31, 2029

Chairman of the Board of Management (CEO)

Wolfgang Nickl
(born May 9, 1969)

Member of the Board of Management effective April 26, 2018, appointed until May 31, 2026

Finance

- Gebr. Knauf KG (shareholders' committee)

Stefan Oelrich
(born June 1, 1968)

Member of the Board of Management effective November 1, 2018, appointed until October 31, 2029

Pharmaceuticals

Heike Prinz
(born September 24, 1964)

Member of the Board of Management effective September 1, 2023, appointed until August 31, 2026

Talent

Labor Director

Rodrigo Santos
(born May 28, 1973)

Member of the Board of Management effective January 1, 2022, appointed until December 31, 2028

Crop Science

Julio Triana
(born September 21, 1965)

Member of the Board of Management effective April 1, 2024, appointed until March 31, 2027

Consumer Health

Financial Calendar

Annual Stockholders' Meeting 2026	*April 24, 2026*
Planned dividend payment day	*April 29, 2026*
Q1 2026 Quarterly Statement	*May 12, 2026*
2026 Half-Year Report	*August 4, 2026*
Q3 2026 Quarterly Statement	*November 3, 2026*
2026 Annual Report	*February 24, 2027*
Annual Stockholders' Meeting 2027	*April 30, 2027*

Masthead

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Forward-Looking Statements
This Annual Report 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 www.bayer.com. The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.

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Real Stories, Real Impact

With a global footprint spanning some 80 countries, our company is home to dedicated employees who are passionate about advancing our mission: “Health for all, Hunger for none.” To learn more about how Bayer is making a difference, we asked three people to share their stories – stories that will undoubtedly resonate with many people around the world.

“A further lease of life”

Katherine, United Kingdom



When the first symptoms appeared, Katherine knew it had to be heart-related. Yet, despite the diagnosis, she remains positive and wants to continue enjoying her life as much as possible.

→ Read her story here

“I want to leave the earth in a better state”

Tory, United States



Tory is a modern farmer who sees Bayer as a partner – a partner who always stands by him.

→ Read his story here

“It’s just a scar that remains. So what?”

Chrissy, Germany



After being injured in a car accident, Chrissy turned to Bepanthen™ to help treat and heal her scars.

→ Read her story here

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