

Question 1: Do you have any comment to make on the above in general?

Bayer follows the FAO Code of Conduct on Pesticide Management and with this, the FAO Guidelines on Highly Hazardous Pesticides (HHPs). As per this FAO guideline, HHPs should be identified, assessed through a safety risk assessment reflecting its exposure, and mitigated through measures such as policy/administrative, change of formulations or package, restricting use or, as a last instance, banning if all other measures cannot be effectively applied.

Bayer has an internal system in place to monitor the FAO HHP criteria across our portfolio. Bayer conducts risk assessments worldwide on its portfolio according to high standards and methodologies, and the specific agronomic realities of the countries where we operate. Bayer has always stewarded and managed its portfolio responsibly and is continually raising the bar. In line with the recently announced sustainability commitments, the company constantly reviews its portfolio according to its high safety standards.

We have high safety standards for all our products, which we have communicated in various commitments we adhere to. Additionally, Bayer drives stewardship along the whole product life cycle as inherent part of our business.

The FAO Code of Conduct establishes clear criteria for qualification of HHP. The PAN active substance list does not follow the FAO criteria which leads to different conclusions. Please refer to the following examples for more details:

- FAO defines criteria 1 as pesticide formulations that meet the criteria of classes Ia or Ib of the WHO Recommended Classification of Pesticides by Hazard.¹ PAN on the other hand refers to substances. In 2012, Bayer publicly committed to stop selling WHO Class1 products for agricultural use. While we do still have very few active ingredients listed under this classification in our portfolio, the products we sell containing them do not fall under this classification. We have a strong process in place to ensure that we follow our commitment.
- For FAO criteria 2, 3, and 4 there is currently no internationally responsible body for classification. We understand that in this, governments take reference to existing classifications. We respect the chronic classifications CMR by the EU and Carcinogenic by US EPA. However, other bodies such as IARC do not consider the data in its entirety. PAN's sole basis for including glyphosate on its list of highly hazardous pesticides is IARC's 2015 classification. FAO's definition of a highly hazardous pesticide, however, refers to the categories specified under the Globally Harmonized System of Classification and Labeling (GHS). In Europe, the [European Chemicals Agency \(ECHA\)](#) decides which GHS categories apply to specific pesticides. ECHA reviewed all of the available data, including IARC's assessment, and concluded that glyphosate was not likely to cause cancer in humans and should not be listed under GHS as being a carcinogen. PAN's decision to include glyphosate on its list of highly hazardous pesticides is incorrect and not consistent with how Europe's experts on this subject conducted their review. Additionally, leading health regulators around the world have repeatedly concluded that our glyphosate-based products can be used safely as directed and that glyphosate is not carcinogenic. Most recently, in January 2020, the U.S. EPA [published](#) its Interim Registration Review Decision on glyphosate and stated *"EPA has thoroughly evaluated potential human health risk associated with exposure to glyphosate and determined that there are no risks to human health from the current registered uses of glyphosate and that glyphosate is not likely to be carcinogenic to humans."* In addition to the U.S. EPA,

¹ This document is publicly available under: https://www.who.int/ipcs/publications/pesticides_hazard/en/

the [European Food Safety Authority \(EFSA\)](#), and the leading health authorities in [Germany](#), [Australia](#), [Korea](#), [Canada](#), [New Zealand](#), [Japan](#), and elsewhere around the world continue to conclude that glyphosate-based products are safe when used as directed and that glyphosate is not carcinogenic.

- For criteria 8, PAN includes environmental criteria in their list that are neither confirmed nor validated by FAO. At the same time, criteria 8 according to FAO definition needs further clarification on scientifically validated, clearly defined / measurable criteria.

Question 2: Do you believe any of the statements above require correction or clarification, and if so, what supporting evidence can you provide us with?

We do not agree with the classification of the active ingredients listed in your document as HHPs, as the products we sell containing these actives do not meet FAO HHP criteria 1, 5, 6, or 7. As stated above, criteria 2-4 are, as explained above, not driven by one international certified body.

Question 3: Our analysis found that the 36 chemicals listed above represented approximately 37% of Bayer's sales of leading products in 2018. Is this proportion broadly representative for the company's full global sales? If not, what proportion would you attribute to your sale of those chemicals?

Firstly, we would like to clarify that figures and market share figures you calculated derive from a basis which is not correct. Bayer finalized the acquisition of Monsanto on June 7 of 2018. Before, Bayer had divested parts of its businesses to competitors. Your calculations are therefore misleading.

Furthermore, please understand that Bayer doesn't report sales and market share figures for individual products or active ingredients. Bayer also doesn't break down detailed sales or market share figures to regions or countries. Therefore, we do not comment any further on your calculations.

For all disclosed financials, please refer to the figures reported for the full year 2018.²

Question 4: For the list of 10 top-selling HHPs above, are the proportions broadly representative of the proportions those chemicals represent of the company's full global sales of crop protection products. If not, what do you think the correct figures should be?

Please refer to our answer to question 3.

Question 5: Specifically in the case of glyphosate, this chemical accounted for around \$379m of Bayer's \$952m sales in the USA in 2018, or 40%. Acetochlor accounted for a further \$110m, or 12%. Are those proportions accurately representative of the proportion of Bayer's USA agrochemical turnover attributable to those chemicals in 2018, assuming Bayer's acquisition of Monsanto had taken effect from 1 January 2018?

Please refer to our answer to question 3.

² Digital copies of Bayer AG Annual Reports are available under:
<https://www.investor.bayer.com/en/reports/annual-reports/overview/>

Question 6: Do you accept that the chemicals listed above are highly hazardous pesticides? Would you regard any of them as not “highly hazardous”?

As stated under question 2, we only accept the FAO definition of HHP criteria, which the above-mentioned list does not follow.

Question 7: Many experts argue that HHPs can never safely be used in LMICs, because of poor governance and lack of regulation. How can you justify making such a large proportion of your HHP sales in LMICs?

Agriculture is very different from region to region due to different climates, pests, diseases and crops. In Brazil for example farmers must manage pests such as Asian Soybean Rust or insect pressure which don't exist in Europe. As an innovation company, Bayer is committed to develop specific products that both fulfill our high safety standards and the needs of farmers. Hence about 30 percent of the plant protection products authorized in the European Union are not authorized in Brazil. “One size fits all” doesn't work. Moreover, we do not always register all products globally – not every product that is not sold in a specific country is banned there but might just not be registered. This is a case by case decision depending on local needs. As a global acting company, Bayer serves the needs of agriculture around the world, while ensuring that our high safety standards are met. We also, for example, thus committed to only sell products that have at least one OECD country registration, or in case of new products an OECD dossier.

Bayer sets itself global safety standards in line with the requirements of mature regulatory systems, on top of the country specific regulatory requirements. We will only sell crop protection products that fulfill our internal safety principles by robust risk assessments, meet the safety standards of the respective local market and reflect the standards of at least one OECD country. We are also working on a process to ensure that in the future we will be able to meet the standards of a majority of relevant leading authorities. Not only do these countries represent different agronomic realities around the world, their governments also have programs for regulating pesticides that are in general well developed.

Question 8: Campaigners say Bayer has in the past specifically committed to phase out the sale of all pesticides classified as 1a or 1b acutely toxic by the WHO but has failed to do so. What is your response to that?

As committed, we stopped selling all agricultural products that are classified WHO Class 1 according to the FAO HHP criteria 1, a definition which can be referred to in their report. While we do still have very few active ingredients listed under this classification in our portfolio, the products we sell containing them do not fall under this classification. We have a strong process in place to ensure that we follow our commitment.³

Question 9: Croplife International itself admits that 15% of its products in the recent audit were identified as HHPs. Which Bayer (if any) products fell within that definition, which (if any) were removed from specific markets, which (if any) remain on markets in LMICs?

We do not comment on this level of detail. Please also refer to our answer on question 3.

Question 10: Is it justifiable for Bayer to make such large proportions of its crop protection income selling chemicals that are banned or severely restricted in the EU?

Please refer to our answers to question 1 and 7.

As stated there, agriculture is very different from region to region due to different climates, pests, diseases and crops. In Brazil for example farmers must manage pests such as Asian Soybean Rust or insect pressure which don't exist in Europe. As an innovation company, Bayer is committed to develop specific products that both fulfill our high safety standards and the needs of farmers. We have high safety standards for all our products, which we have communicated in various commitments we adhere to. Additionally, Bayer drives stewardship along the whole product life cycle as inherent part of our business.

Bayer sells only products which have a registration in the corresponding country. In addition, Bayer voluntarily committed to only commercializing products containing active ingredients which have a registration in an OECD country, or for new active ingredients an OECD data package.

Bayer conducts risk assessments worldwide on its portfolio according to high standards and methodologies, and the specific agronomic realities of the countries where we operate. Bayer has always stewarded and managed its portfolio responsibly and is continually raising the bar. In line with the recently announced sustainability commitments, the company constantly reviews its portfolio according to its high safety standards.