Bayer's Offsetting Approach

Content

Introduction

In December 2019, Bayer announced a comprehensive climate strategy including the target to achieve climate neutrality by 2030. Reducing our own emissions is the central element in this strategy and is our top priority. The remaining emissions will be compensated by carbon offsets.

This document lays out our rationale for including offsetting in our strategy, our key criteria for selecting projects we support and details of the selected projects. Transparency in our actions has guided our way in drafting this paper.

We would be pleased if this document serves as a basis for other companies dealing with this topic and we look forward to having critical discussions on carbon offsetting.

Bayer Climate Strategy

As a science-based company, Bayer has recognized the risks posed by global climate change. We aim to continuously reduce greenhouse gas (GHG) emissions within our company and along our entire value chain in accordance with the United Nations Sustainable Development Goals and the Paris Agreement to limit global warming to 1.5 degrees Celsius.

We have joined the world's leading Science Based Targets initiative, which reviews our reduction targets. This initiative was founded by the CDP, the UN Global Compact, the World Resources Institute (WRI) and the World Wide Fund For Nature (WWF). More than 1.000 companies have committed themselves to actively address the challenge of climate change and setting transparent targets for reducing their emissions in line with the Paris Agreement.

Our Net Zero Target

We have set ourselves the target to achieve net zero GHG emissions including our entire value chain by 2050 or sooner and signed the Business Ambition for 1.5°C.

Our Mid-term Climate Targets until 2030 and the pathway to Net Zero:

- We will reduce our Scope 1 & 2 emissions by 42% until end of 2029 compared to our 2019 baseline. This target has been approved by the Science Based Target initiative as aligned with a 1.5°C pathway. To accomplish this, we will combine measures, such as more efficient inward and outward ventilation systems, a move to climate-neutral technologies, such as geothermal energy for heating and cooling and a switch to 100% purchased electricity from renewable sources.
- Bayer is on a path to become climate neutral by 2030 in its own operations. The remaining emissions after reduction will be offset by purchasing certificates from climate protection projects with recognized quality standards. The offset projects are related to our business. Based on our business purpose we focus on Nature-based Solutions relating to forest and agriculture. Additionally, we invest in innovative projects and foster development of voluntary carbon markets.
- We aim to reduce greenhouse gas emissions along the up- and downstream value chain (Scope 3) through cooperation with suppliers and customers by at least 12.3% in 2029 compared to 2019. This target has been approved by the Science Based Target initiative. As such a target cannot be achieved by acting alone, Bayer has joined with other ambitious companies to drive progress as part of the chemical industry's "Together for Sustainability" initiative. We are also a member of the CDP Supply Chain Initiative and are in direct contact with key suppliers.
- In addition, Bayer is working with farmers to reduce the ecological footprint of agriculture, which currently accounts for about 25% of GHG emissions worldwide. We want to help reduce

our customers' in-field GHG emissions in major agricultural markets – per kilogram of crop yield – by 30% by 2030. This applies to the most emitting cropping systems in regions Bayer operates. This includes Bayer helping farmers to use climate-friendly methods, such as reducing plowing and using digital solutions, to reduce carbon dioxide emissions.

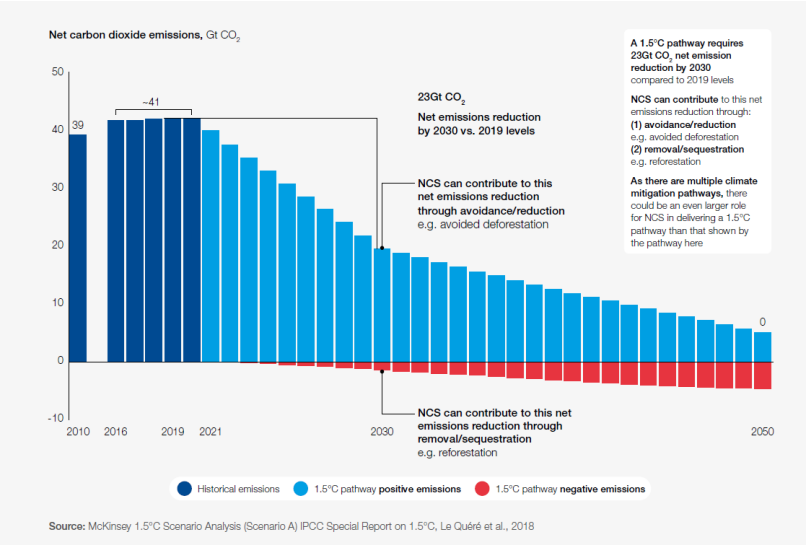
Read more on our ambition

The need for Nature-based Solutions to fight climate change

The Paris Agreement, a landmark agreement signed by all 197 member countries of the United Nations Framework Convention on Climate Change (UNFCCC), aims to combat climate change by keeping global temperatures well below 2°C above pre-industrial times, preferably below 1.5°C. In October 2018, the Intergovernmental Panel on Climate Change (IPCC) published a Special Report on Global Warming of 1.5°C. It found that "all analyzed pathways limiting warming to 1.5°C with no or limited overshoot use carbon dioxide removal (CDR) to some extent to neutralize emissions from sources for which no mitigation measures have been identified." Likewise, the International Energy Agency (IEA) net zero scenario relies on the use of carbon capture and storage (CCS). The IPCC AR6, published in August 2021 is building on the potential to remove carbon dioxide from the atmosphere and durably store it in reservoirs.

With the current progress on emission reduction, the world will not stay below 1.5°C without carbon offsetting. Nature-based Solutions can help address climate change by offsetting carbon emissions and improving the resilience of the ecosystems, human health as well as of socioeconomic development. Focusing on Nature-based Solutions will have additional co-benefits on food and water security, disaster risk reduction, biodiversity, smallholder farmers and local communities. When done right, Nature-based Solutions for climate mitigation are a genuine win-win.

Carbon offsetting is a process by which funds are directed to projects that help reduce global emissions. These funds support selected projects with the goal of carbon offsetting emissions caused by communities and companies around the world. Nature-based Solutions will be crucial to avoiding the most catastrophic impacts of climate change.



Types of Nature-based Carbon Offsets

Offsetting projects are mainly divided into two categories: Avoidance and removal projects.

- Carbon avoidance: is the most effective carbon management strategy over a multi-decadal timescale to achieve atmospheric carbon dioxide stabilization and a subsequent decline. This prevents, in the first place, stable underground carbon deposits or less stable carbon pools on land and in the oceans from entering the atmosphere. As the world's ecosystems arestill under a huge pressure, this is an opportunity to save the existing natural ecosystems and not letting the carbon be released to the atmosphere.
- Carbon removal is the act of taking carbon dioxide out of the atmosphere and storing it permanently and sustainably. Scientists work hard to improve existing processes and find new carbon removal methods. At this point in time the areas of carbon removal are still developing.

Avoidance or removal of emissions can be achieved by different kind of projects. The methods described below display these projects Bayer mainly invests in.

Forestry projects

As trees grow, the photosynthesis process naturally converts carbon dioxide and water into oxygen and glucose in turn resulting in wood and fruit. According to the Arbor Day Foundation, one mature tree can absorb about 20 kilogram of carbon dioxide from the atmosphere each year and supply enough oxygen for up to four people per day. Forestry projects can also provide additional environmental benefits, such as cleaning our drinking water and helping to protect and enhance species through restored habitats.

While forests are essential to carbon removal, it is a scientific reality that these projects are inherently dynamic and impermanent. We assume that carbon removed via re-, or afforestation today will need to be removed at some point again in the future, such as when trees are lost to wildfires or when harvested wood products decay.

Forestry projects can be divided into different categories:

- **Forest Protection** projects, with the recognition that intact forests play an important role in removing carbon dioxide from the atmosphere.
- **Reforestation** restocks existing forests that have been depleted, often through deforestation or logging.
- **Afforestation** introduces native trees to create a new forest in an area that has not been forested previously (or in recent history) and where tree growth is beneficial.
- **Agroforestry** intentionally integrates trees into agricultural areas.
- **Improved forest management (IFM)** aims to increase the carbon stored in forests, including increasing the average age of native trees in timber harvesting areas by avoiding or delaying conversion to timber.
- **Blue Carbon** projects focus on the afforestation or protection of forests that are located directly on the coast. This predominantly involves the plantation or conservation of mangrove forests. Mangroves generally have a very high carbon storage capacity, mainly since they increase soil carbon stocks.

Agriculture Projects

The threat of climate change calls for radical transformation. As a sector, agriculture employs 1bn people globally, secures global food supply and accounts for nearly 25% of all global GHG emissions. At the same time, farmers are suffering the consequences of global climate change as they combat extreme weather conditions, pest shift, water scarcity and market uncertainty. As a victim of, and contributor to climate change, agriculture has the potential to be cast in a third role: agriculture is a solution to help solve the climate crisis through the widespread adoption of climate-smart practices that not only reduce emissions, but also remove carbon from the atmosphere.

Carbon sequestration in soil is the process by which carbon dioxide is removed from the atmosphere and stored as soil organic matter, often in cropland and grazing lands. Through photosynthesis, plants assimilate carbon, which is then consumed by animals or added to the soil as residue when plants die and decompose. According to the Ecological Society of America, although oceans store most of the earth's carbon, soils contain approximately 75% of the carbon pool on land—three times more than the amount stored in living plants and animals.

Potential levers for agricultural carbon interventions are:

- **Cover crops** to maximize soil carbon pool
- **Plant Breeding** to increase yields / better nitrogen root capture / water use efficiency
- **Precision irrigation systems** to improve energy and water use efficiency
- **Dry seeded rice** to reduce methane emissions from flooded rice
- **No-till farming / crop rotation** to avoid denitrification and reduce energy use
- **Microorganisms/ soil biologicals** to improve soil health and increase nutrient use efficiency
- **Digital/ precision farming** to enhance nutrient use efficiency and targeted crop protection sprays

Voluntary Carbon Markets (VCM)

Whereas the market for forestry projects is developed, the one for agricultural projects is still emerging. There are several protocols created by internationally recognized registries available, such as The Gold Standard and Verra; these protocols, however, are demanding in terms of monitoring, reporting, and verification (MRV) requirements which limits scaling pilots for project developers and ultimately minimizes profitability for farmers.

Medium-term and long-term engineered solutions

Carbon removal is far from mainstream. For more than a decade, the corporates have met their climate commitments primarily by offsetting carbon dioxide and other GHG emissions by purchasing "credits" from projects that avoid or reduce emissions (for example, renewable energy and energy efficiency projects, and avoided deforestation). Standards and innovative solutions must be further developed to fight the climate crisis. We want to foster innovation and therefore support Nature-based Solutions on various levels by protecting what exists and explore new solutions. Therefore, we are addressing the quality and validity of projects with a clear link on standards and science-based objectives.

Today`s Challenges in Carbon Offsetting

Transparency is of utmost importance for us at Bayer. We understand the skepticism about offsetting models, given the difficulties and limitations of offsetting projects and the increasing number of corporate commitments on climate neutrality. Nevertheless, we are convinced that we will not achieve the 1.5°C objective by reduction alone but we need to complement this pathway with fast solutions like carbon avoidance and long-term removal techniques. Thus, besides our overall reduction targets, Bayer is committed to invest into solutions that will reduce, avoid, and remove emissions in our supply chain and the industries we are operating in. Criticism is mainly regarding additionality of projects and permanence of carbon dioxide sequestration. Therefore, we have established clear criteria for our Nature-based Solutions projects as we describe in this document.

Bayer's Offsetting Approach

Mitigation hierarchy and key criteria

Bayer follows the mitigation hierarchy, avoidance before minimization before restoration before offsetting; thus, the primary focus of our climate strategy is to avoid carbon emissions from getting into the atmosphere. Therefore, we believe in offsetting avoidance projects. On the other side residual, hard-to-eliminate emissions must be removed from the atmosphere. This is where removal projects come into play. Both kinds of offsetting projects are Nature-based Solutions and are protecting forests and restoring natural ecosystems which is vital both for wildlife and the climate.

As the carbon offsetting market evolves to meet increased corporate demand, important questions are surfacing about market design and integrity. Corporate buyers need to make decisions on what credits to buy without harmonized standards to ensure carbon integrity. Bayer has defined a clear set of rules for its projects to ensure high quality impacts, that we will constantly improve and further develop our approach.

Nature Climate Solution Alliance

Together with 50+ corporations, NGOs and project developers, Bayer has joint forces to help meeting corporate climate commitments. Further information could be found here.: https://www.weforum.org/natural-climate-solutions-alliance/reports

- **Transparency:** We commit to transparently disclose all activities to eliminate double counting concerns and engage with stakeholders to further advance sustainability in the areas we are operating.
- **Additionality:** Offset project and resulting emissions reductions would not have occurred in the absence of an offset project and the revenue generated by selling offsets
- **Permanence**: Long term removal of GHG is the goal, therefore, our projects focus on removal in the long-term. As we understand the current threats to the environment, we also include avoidance projects. A mitigation plan against the risk of reversals is in place (for example, wildfire, illegal logging, risk covenant for engineered carbon sequestration).

- **Measurability**: Offsetting projects will be monitored, reported, and verified by third-party accredited auditors to meet specified standards that are transparent and founded on sound science.
- **Quality/ Standards**: High quality projects which align to high, auditable standards have its price. We only purchase credits that have been registered following the stringent regulations of selected project standards with a high reputation in the market. This ensures that our carbon credits come from projects, that have been scientifically verified by trustworthy and independent third parties and have mitigation plans for risk of reversals.
- **Innovation:** We also include innovative lighthouse projects to foster removal techniques and develop high quality standards and projects.
- **Impact**: Along with Bayer's unique product portfolio, we want to support projects along our value chain. Therefore, we are focusing on Nature-based Solutions.
- **Co-Benefits**: Following our vision "health for all, hunger for none" we are connecting ecological and social benefits for the projects. Therefore, all projects should address various targets in line with the UN Sustainable Development Goals.

LEAF Coalition

The destruction of forests is a pressing global challenge, especially considering that forest conservation is one of the most important measures to protect biodiversity and the climate.

Within the framework of its activities to protect the forests, Bayer is a participant in the LEAF (Lowering Emissions by Accelerating Forest finance) Coalition. LEAF mobilized more than US$1 billion in 2021 to initiate the biggest public-private effort to protect the rain forests.

We clearly advocate asserting suitable laws to protect the Amazon rain forest. That also includes driving forward sustainable intensification of agriculture in Brazil to prevent further deforestation.

Certificates from activities undertaken in connection with LEAF are expected to be part of our compensation portfolio beginning in 2023.

Decarbonization Solutions for Agriculture

Our strategy in sustainability is to design and invest in sustainable solutions for a carbon neutral agriculture. We commit to advance the carbon neutrality in agriculture by offering Nature-based Solutions consisting of physical and digital products (seed, crop protection, digital) and triggering adoption of climate smart practices that reduce emissions and/or sequester carbon. We are performing carbon life cycle assessments on new plant varieties like short-stature corn and implementing field trials so we can provide scientific support for claims of GHG emission reduction, potential sequestration, and co-benefits such as water conservation, soil health and biodiversity.

As we reach toward our 2030 commitment of 30% reduction of in-field GHG emissions of our farming customers, we will continue to innovate and develop new practices and technologies that will set the standard for tomorrow and make Bayer the leading force in climate smart agriculture.

Bayer has the capability to be the driving force in carbon-smart agriculture by embracing science and innovation and creating financial opportunities for farmers to make agriculture a major part of the solution to climate change through the process of carbon farming. Carbon farming is any activity at the farm level that is done in the interest of reducing agriculture-related greenhouse gas emissions or sequestering atmospheric carbon into the soil. Bayer's Carbon Initiative, launched in 2020, has over 5000 participating farmers and over 1.5 mio acres in 10 countries.

Further Information on the agriculture`s role in climate protection:

- Agriculture's role in addressing climate change: https://www.cropscience.bayer.com/people-planet/climate-change
- Carbon neutral farm: https://www.cropscience.bayer.com/people-planet/climate-change/a/carbon-neutral-farming
- Agriculture is part of the solution: https://www.cropscience.bayer.com/people-planet/climate-change/a/sustainable-agriculture-combats-climate-change

Furthermore, Bayer has carbon farming efforts driving business value in every region we serve:

North America

In the U.S. the Bayer Carbon Program rewards farmers for adopting climate-smart practices, such as planting cover crops and practicing no-till or strip till in their fields, with the ambition to generate high-quality certified carbon assets. Growers can receive guaranteed payments based on the adoption of these practices and the number of acres enrolled per year.

More: www.bayercarbon.com

Latin America

As part of the Bayer Carbon Program, farmers in Brazil who fulfill certain requirements, such as social and environmental compliance, and adopt climate smart practices, are eligible for soil collection and analyses with our partner, Embrapa.

More: https://www.bayer.com/en/agriculture/article/keeping-carbon-in-check

Europe

In Europe, Bayer is engaging in open discussions with key regional, local, and global food chain partners as we work to develop a carbon pilot with farmers in several countries across Europe launched in June 2021. These projects are partly supported by the Bayer Forward Farming network.

Asia-Pacific

Flood-irrigated paddy rice has been identified as a significant contributor to methane emissions, a potent GHG, which is why Bayer is actively evaluating water saving potential and GHG emissions reduction as part of the broader integrated India Sustainable Rice project established in 2021. Bayer launched an initiative to train farmers in sustainable practices related to GHG emissions reduction, water efficiency and integrated weed management to improve environmental practices and harvests. Our projects improve farmer livelihoods through lower costs of production and additional income. Building on our pilot project experience, we are now engaging diverse organizations to scale-up the adoption of sustainable rice production.

Partnerships

Bayer is an active partner in several partnerships and scientific coalitions looking at the development of science of soil management, agricultural ecosystem credit markets and ensuring that challenges

faced by farmers in implementing climate smart practices can be overcome with technical, digital, and financial solutions.

- Global Soil Health Programme (University of Glasgow)
- WEF-Lighthouse project – Decarbonization of the EU Food System - European Carbon+ Farming Coalition
- Inter-American Institute for Cooperation on Agriculture (IICA), Living Soils in the America's Initiative
- Coalition of Action 4 Soil Health (CA4SH)
- WBCSD Agriculture 1.5
- Middle West Row Crops Collaborative
- Sustainable Agriculture Initiative – SAI Platform
- Sustainable Initiative Fruits and Vegetables- SIFAV

Risk Management

Today's carbon market poses inherent risks that translates to potential vulnerabilities in every carbon portfolio. To mitigate potential risks, Bayer has decided to partner with highly qualified and experienced firms that develop and broker carbon offsetting projects and have a keen and close eye on market developments and potential risks.

Jointly with our partners we will continuously work on monitoring and addressing the risks in our carbon portfolio to increase our confidence and the quality of our selected projects.

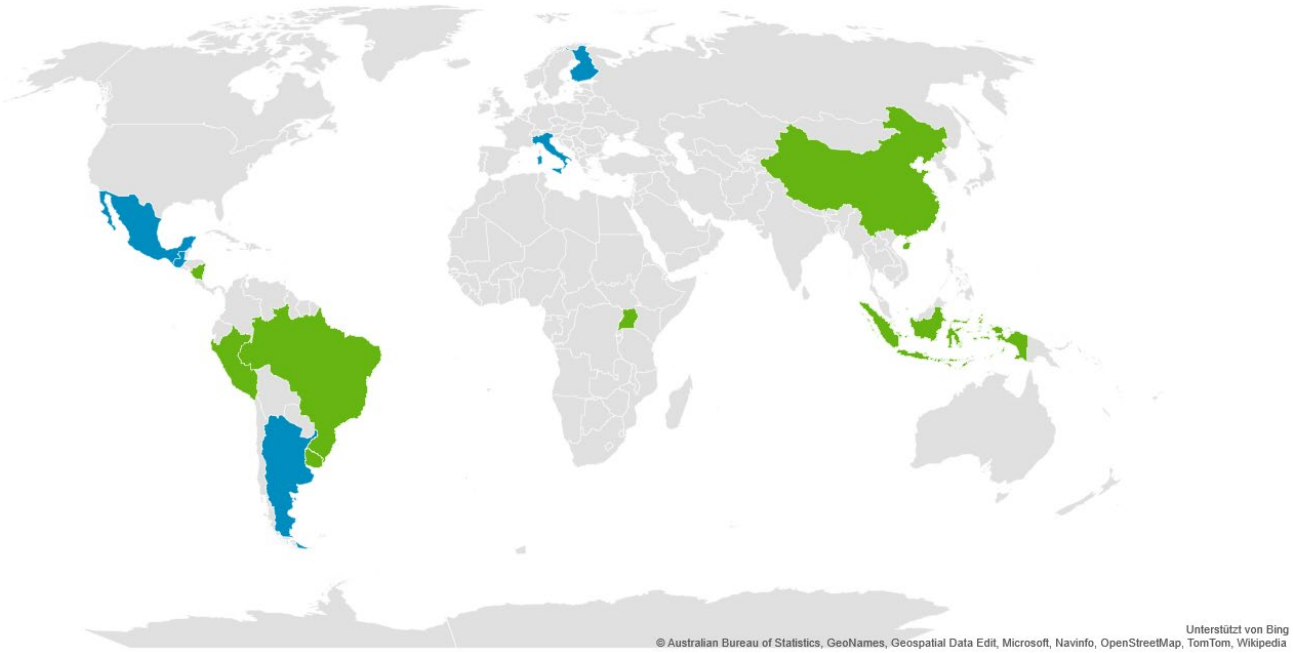
The due diligence process for our projects includes the following steps:

1. Initial quality screening
2. Check on projects' eligibility for registration
3. Background check on partners, environmental and social impact
4. Checking claims against the documentation regarding:
    a. Compliance (KYC)
    b. Carbon Cycle Performance
    c. Legal risks
    d. Technical & financial feasibility
    e. Environmental & social issues

Despite our best efforts to mitigate all risks in our selected projects, we are still in an early phase regarding our carbon offsetting portfolio, and we are learning every day. It may not be possible to completely mitigate all risks in our portfolio, which may result in adaptations and an optimization of our due diligence process in parallel with the development of this growing and maturing market.

Nature-based Offsetting Projects at Bayer

Bayer supports projects located in different regions of the world. Besides our voluntary compensation, our purchases of emission reductions contribute to Nationally Determined Contributions (NDCs) of relevant countries.



Map contains data until 2021

Bayer's Nature-based Solution projects for carbon offsetting purchases:

Group Carbon offsetting projects
(part of our validated quantitative offsetting):

2020:
- Brazil
- China
- Uruguay

2021:
- Indonesia
- Peru
- Nicaragua
- Uganda
- Uruguay

Additional Regional Engagement projects:

- Finland – Nordic Green Solutions
- Guatemala – gifTree
- Italy – Give tree as a gift
- Brazil, Argentina, Mexico – Revita

Additional to the regulated as well as audited carbon offsetting projects, Bayer engages in local projects. Within these initiatives we characterize especially projects on local level triggered by employees within the company. A list can be found in the table regarding engagement projects.

Further details below.

Projects Bayer supports

The following table describes our Nature-based Solutions portfolio which Bayer uses as carbon offsetting to become climate neutral in 2030. Additionally, we are also compensating our GHG emissions deriving from air travel. These offsetting projects are not included here but follow the same stringent criteria. In 2020, we compensated 52,991 tons of GHG emissions from air travel. In 2021, we compensated 28.437 tons of GHG emissions from air travel.

Project	Supplier Project(s) / Partner	Region	Type	Description	Certification / Technology	SDG Relevance	Year of Offsetting	Contracted volume	Reference
China: Forest and climate protection in Inner Mongolia	First Climate	APAC	Forestry	The project comprises approximately 20,000ha of formerly logged forests which is a converted protected area. Prior to the project start, the forests have been used for timber harvesting according to a government-approved timber management plan which allows for regular clear-felling. The main object of the project is to improve the forest coverage rate, protect the local environment, reduce carbon emissions as well as enable carbon sequestration via enhanced forestry management. The implementation of the project will not only achieve reliable and measurable carbon sequestration by reducing commercial timber but will also contribute to sustainable development within the project region.	VCS	SDG: 1, 6, 13, 15	2020	50,000	6_Factsheet_Innongolia-Keyihe_
Brazil: Locals protect their forest from illegal logging	First Climate	LATAM	Forestry	This project focusses on the protection of accessible and inaccessible forest areas. This will allow for the forest to re-grow. Surveillance teams keep the area under rigorous monitoring to prevent illegal logging and squatters from claiming lands. To achieve permanent surveillance, the project employs local village members who live within the project region. To qualify them, they receive special training in forest management and monitoring. Regular reports will locate existing agricultural areas to identify areas that may have been newly deforested. Another aspect of this project is the distribution of improved cook stoves that replace inef-	VCS & CCB / REDD+	SDG: 3, 6, 8, 12,15,16	2020	85,000	More details.

Project	Supplier Project(s) / Partner	Region	Type	Description	Certification / Technology	SDG Relevance	Year of Offsetting	Contracted volume	Reference
				ficient traditional open fires to reduce firewood consumption.					
Uruguay: Afforestation of degraded grass-lands under extensive grazing	First climate	LATAM	Forestry	Based in eastern Uruguay, the project covers various forest sites that were previously used for grazing by beef cattle, a form of land use which causes major soil erosion and land degradation. The areas were degraded beyond the point of natural regeneration, so the project involves replanting the area with native trees. Plant growth is supported with environmentally friendly herbicide, regular pruning, and thinning. The main plants used in the project will be eucalyptus and pine, which will support the commercial production of wood pulp and sawdust in a sustainable way. A continuous forest inventory will be established to monitor forest development, tree growth, forest health, fire risks and other common forest practices. A total area of 18,191 hectares is covered by the project, which promotes sustainable wood production, land restoration and carbon sequestration through afforestation.	VCS	SDG: 1,8,10,12,13,15	2020	65,000	5_Factsheet_Urug_Weyerhaeuser_A
Indonesia: Restoration	ACT	APAC	Forestry	The CCB Gold Sumatra Merang Peatland Project is restoring more than 22,900 hectares of peatland rainforest in the Merang region of Indonesia. Protecting an area more than 3.5 times the size of Manhattan, the project targets the Merang biodiversity corridor, one of the largest and deepest peat swamps in South Sumatra. Climate finance rehabilitates and protects this threatened ecosystem, reducing emissions, and creating a conservation area for hundreds of unique and endangered species. The project works with local communities from nearby villages to improve livelihoods which reduces pressure on the forest.	VCS, CCB Gold	SDG: 1,2,5,8,9,10,12,13,15,16,17	2021	50,000	ACT_Sumat Merang Peatla
Nicaragua: Bamboo for deforestati	Climate Partner	LATAM	Forestry	The project in eastern Nicaragua has planted more than 1 million plants of a native species of giant clumping bamboo, covering 2,361 hectares while protecting an additional 1,000 hectares of old forest as a conservation zone. It has transformed a degraded landscape into a flourishing and biodiverse ecosystem. Bamboo	VCS	SDG: 3,6,10,12,13,15	2021	20,000	More details

on-free products				is one of the most efficient biological tools for fighting climate change. The project contributes to mitigation by preventing deforestation and capturing CO2 as well as to adaptation by reducing temperatures, creating micro-climates, supporting a low-carbon economy and creating livelihoods for vulnerable communities. In contrast to cutting trees, harvesting giant clumping bamboo does not kill the plant. Once fully mature, selective poles are harvested from each bamboo clump annually, leaving enough time for other poles to regenerate. Thus the carbon stored within the bamboo becomes a permanent sink, with the bamboo clumps having a lifetime of 80 years. The bamboo fibre from the plantations forms the base for a broad range of sustainable, deforestation-free products like fibers or building materials.					
Peru: Brazil Nuts	First climate	LATAM	Forestry	The Rainforest Community Project brings together hundreds of local families and small-scale concession holders which harvest Brazil nuts in the Peruvian Amazon. Through investment from the project, these nuts can be sustainably harvested, processed and sold directly to international export markets for the first time. The project provides a viable alternative to deforestation in providing sustainably generated income for local communities. Experience in past decades shows that better access increases deforestation for agriculture and illegal logging. This project comprises of two forestry concessions that are managed in line with Forestry Stewardship Council (FSC) guidelines. The concessions stretch over 100,000 hectares covered by dense rainforest. Effective surveillance of this area to prevent illegal dwelling and destructive forest use is only possible with the support of carbon certificate revenues.	VCS	SDG: 6,8,12,13,15	2021	60,000	More details
Uganda: Preserving natural forests through sustainable wood supply	Climate Partner	EMEA	Forestry	Between 2000 and 2005 Uganda had one of the highest deforestation rates in the world, losing 2.2 percent of its forest cover every year. The country is still struggling to meet the growing demand for wood from responsible resources. Our project benefits the forestry sector through an increase in timber supply, sustainable management of the national resource base, and thus help reduce pressure on natural forests. The plantation sites are located in the Bukaleba Central Forest Reserve (BCFR) in the district of Mayuge in Eastern Uganda. It establishes and manages exotic and indigenous reforestation on 2,000 hectares of degraded shrub and grassland.	VCS	SDG: 3,5,6,8,9,11,12,13,15,17	2021	70,000	More details

				The objective of the project is to help mitigate climate change while meeting the growing demand for quality wood products from well managed plantation forests, contribute to sustainable environmental management and poverty alleviation in Uganda. It supports the socio-economic development of local communities and infrastructure improvements.					
Uruguay: Afforestation of degraded grass-lands under extensive grazing	Climate Partner	LATAM	Forestry	Based in eastern Uruguay, the project covers various forest sites that were previously used for grazing by beef cattle, a form of land use which causes major soil erosion and land degradation. The areas were degraded beyond the point of natural regeneration, so the project involves replanting the area with native trees. Plant growth is supported with environmentally friendly herbicide, regular pruning, and thinning. The main plants used in the project will be eucalyptus and pine, which will support the commercial production of wood pulp and sawdust in a sustainable way. A continuous forest inventory will be established to monitor forest development, tree growth, forest health, fire risks and other common forest practices. A total area of 18,191 hectares is covered by the project, which promotes sustainable wood production, land restoration and carbon sequestration through afforestation.	VCS	SDG: 1,8,10,12,13,15	2021	65,000	More details

Explanation: REDD+ = Reducing Emissions form Deforestation and Forest Degradation, VCS = Verified Carbon Standard, CCB = Climate, Community & Biodiversity

The following table describes our engagement projects which Bayer DOES NOT use as carbon offsetting for climate neutrality [Will be updated regularly]:

Project	Region	Type	Description	**Volume**	Reference
ReVita	Argentina, Brazil, Mexico	Tree-Planting VCS (Argentina)	ReVita Bayer is an initiative from Distribution team that started in 2012 with the purpose of reducing the environmental impact caused by our logistics operations. The program expandedin 2020 to a broader perspective and embraces actions to also reduce emissions by adopting good practices around energy efficiency in both transportation and warehousing, such as load and network optimization, eco-driving, warehouse eco-building, etc.	Since 2012: >22,000 k CO2 compensated >166,000 trees planted	
gifTree	Guatemala	Tree-Planting VCS-CCB	Offsetting remaining emissions of the Bayer Guatemala Sites Roosevelt, Amatitlán and Salamá	1,360 t/ year	
Give tree as a gift	Italy	Tree-Planting	Bayer Italy supported the “Treedom” project planting1650 trees, one for each employee, in areas most prone to deforestation. Each employee could choose the tree that best represented him/her, give it a name,	357 t	BAYER ITALIA ist auf Treedom

			follow the various stages of its life, geolocate it and learn about all its features.		
Nordic Green Solutions	Finland	Protecting forests and Tree-Planting	In 2020, about 85 percent of the compensationwas carried out by protecting forests that have reachedthe final felling age of 50 to 60 years. Landowners receive a payment to postpone the felling by ten years. This will help maintain carbonsinks in the Finnish forests. The rest, i.e., 15 percent of the compensation was achieved through tree planting. As part of the tree planting, Bayer is establishing its own small forest near the Turku site to be used for recreational purposes by Bayer personnel.	2020: 4,200 t (30% of the carbon footprint of Bayer Oy), Percentage will increase gradually.	https://www.bayer.com/sites/default/files/Sustainability_publication.pdf

Editorial

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