

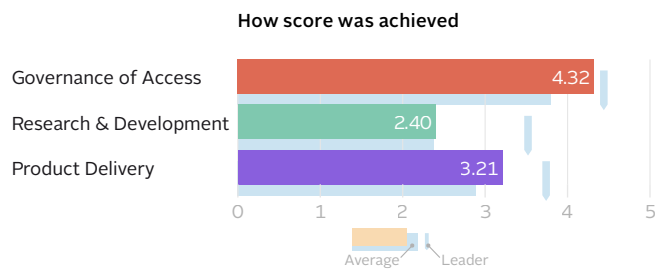
RANK	SCORE
10	3.13
9 (2022)	

Bayer AG

Stock exchange: XFRA • Ticker: BAYN • HQ: Leverkusen, Germany • Employees: 99,723

PERFORMANCE IN THE 2024 INDEX

10th place. Bayer ranks in the top ten. It has improved its performance in Governance of Access. The company performs above average in Research & Development and Product Delivery, where it shows Best Practice in registering innovative products broadly in low- and middle-income countries (LMICs).



OPPORTUNITIES FOR BAYER

Broaden the geographic reach of access plans for non-communicable diseases (NCDs). Bayer has comprehensive access plans in place for over half its late-stage R&D candidates. In general, its plans for NCDs are less comprehensive than those for neglected tropical diseases (NTDs) and include five countries in scope, on average. The company can ensure it has access plans in place for all NCD projects and broaden the geographic coverage of these plans to include more low- and middle-income countries (LMICs).

Publicly report on progress and outcomes of its Global Health Unit. In 2024, Bayer announced that it launched a Global Health Unit to improve access to medicines, including contraceptives, primarily – but not exclusively – in LMICs. Once the unit is operational, Bayer can report on outcomes of the model, such as patient reach and country-level implementation. This can help foster partnerships locally and drive accountability and implementation.

Expand access to its innovative products for NCDs. Bayer has access strategies in place for its NCD products; however, coverage in low-income countries is limited. It can improve access to these products in low-income countries through registration and equitable access strategies. For example, for its products vericiguat (Verquvo®), indicated for heart failure, and finerenone (Kerendia®), indicated for chronic kidney disease.

CHANGES SINCE THE 2022 INDEX

- Since 2022, Bayer's access-to-medicine strategy now covers all therapeutic areas the company is involved in.
- Bayer launched its Global Health Unit in May 2024 to enhance access to its medical products in countries where the company has limited or no presence.
- Signed a grant agreement with the Bill & Melinda Gates Foundation to advance research in non-hormonal contraception.
- Launched chronic kidney disease drug finerenone (Kerendia®) in India.
- Established the Pharma Sustainability Steering Board (a sub-committee of the Bayer Pharma Executive Committee) with the purpose of accelerating decision-making for cross-functional activities in the areas of ecological footprint and access to medicine.
- Opened its first cell therapy launch facility in Berkeley, California, to create the capacity to manufacture cell and gene therapies on a global scale.
- Opened its new USD 140mn Research and Innovation Center in Boston-Cambridge, Massachusetts, for precision molecular oncology research.

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SALES AND OPERATIONS

Therapeutic areas: Cardiology, chronic kidney disease, haematology, oncology, ophthalmology, healthy ageing, hormonal & reproductive health

Product categories: Innovative medicines

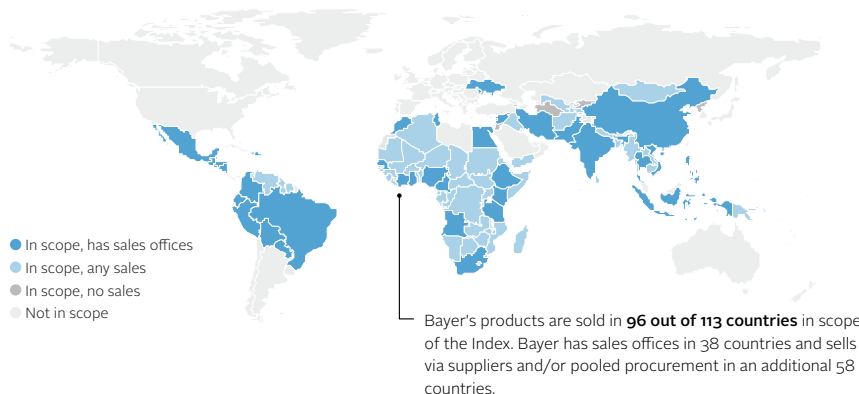
M&A news: In 2022, Bayer acquired Targenomix GmbH for an undisclosed amount and divested

its Environmental Science Professional (BESP) business to Cinven for EUR 2.4bn, as well as its testosterone therapy (Nebido®) to Grünenthal for EUR 495mn. In 2023, it acquired Blackford Analysis Ltd and divested its right to Nimotop to Laboratoire X.O for undisclosed amounts.

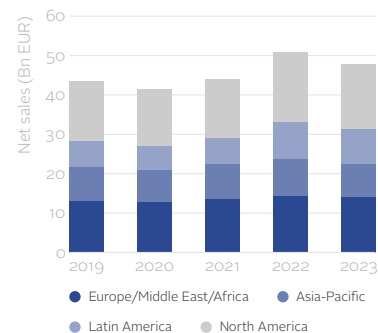
Net sales by segment (2023) – in EUR

Crop science	23.27 bn
Pharmaceutical	18.08 bn
Consumer health	6.03 bn
Total	47.38 bn

Sales in countries in scope



Sales by geographic region



SAMPLE OF PIPELINE AND PORTFOLIO ASSESSED BY THE INDEX

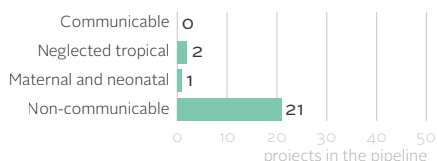
PIPELINE for diseases in scope

Bayer has 24 R&D projects in scope, 3 of which target priority diseases, focusing on contraceptives (1), soil-transmitted helminthiasis (1) and onchocerciasis (1). The remaining 21 projects target other diseases in scope, including cancer (12), cardiovascular diseases (5) and kidney diseases (2). Of the 24 R&D projects, 9 are in late-stage development, with evidence of access planning for 56% (5/9) of these.

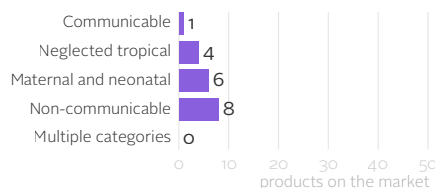
PORTFOLIO as selected for analysis by the Index

Bayer has 19 products in scope, 9 of which are listed on the WHO EML. Of its 13 medicines in scope, 8 are on patent. Bayer's medicines mostly target non-communicable diseases, including cancer (4), kidney diseases (2) and cardiovascular diseases (2), followed by products for maternal and neonatal health, including 6 contraceptives. Its medicines also target neglected tropical diseases, such as human African trypanosomiasis; its 1 medicine for a communicable disease targets malaria.

24 projects in the pipeline



19 products in the portfolio



Breakdown of projects

	Discovery	Pre-clinical	Phase I	Phase II	Phase III	Phase IV	Approval	Other	Total
Targets established R&D priorities	0	1	0	2	0	0	0	0	3
with access plan				2	0	0	0	0	2
Other projects in scope			14	3	4	0	0	0	21
with access plan			0	3	0	0	0	0	3

Breakdown of products

	WHO EML	Non-EML	WHO EDL	Other	Total
Medicines on patent	1	7	0	0	8
off patent	5	0	0	0	5
Vaccines	0	0	0	0	0
Contraceptives	3	3	0	0	6
Diagnostics	0	0	0	0	0
Other	0	0	0	0	0

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GOVERNANCE OF ACCESS

RANK 4

SCORE 4.32

4th place. Bayer performs well in this Technical Area. The company's access-to-medicine strategy now covers all therapeutic areas in which the company is involved. It has a robust set of controls to promote ethical conduct and mitigate risk to ensure that governance efforts are not undermined by non-compliant or corrupt activities. Further, Bayer provides evidence of a patient reach process that covers all countries in scope of the Index, as well as public reporting of the underlying methodology and resulting patient reach numbers.

The highest responsibility for access lies directly with the Board, with the CEO in their role as Chief Sustainability Officer. Furthermore, Bayer has an ESG Committee at Supervisory Board level to oversee access-related goals. Additionally, Bayer incentivises its senior executives and in-country managers to act on access to medicine with financial and non-financial rewards. The CEO has long-term access-related incentives linked to sustainability goals.

Comprehensive access-to-medicine strategy integrated within the overall corporate strategy. Its strategy covers all therapeutic areas in which the company is involved. Bayer publicly discloses its commitments to access to medicine, along with company-specific measurable targets, goals and objectives. Reporting is clear, linked to these goals, centrally available, and updated regularly in its Sustainability Report.

Shows comparatively strong commitment to responsible business practices. Bayer sets individual-level targets for sales agents, but incen-

tives are not solely based on sales volume. For example, in Northwest Africa, Bayer incentivises qualitative key performance indicators such as presentation skills, compliance guideline knowledge and report quality and timeliness. Further, it commits to ensuring ethical interactions with healthcare professionals in its code of conduct and declares that transfers of value to healthcare professionals (e.g., payments for attending events or promotional activities) are made at fair market value. However, it only publicly discloses information on such payments in countries in scope if required by law or local regulation.

Has robust set of controls to promote ethical conduct and mitigate risk to ensure that governance efforts are not undermined by non-compliant or corrupt activities. Bayer performs strongly in this respect. It has policies to mitigate non-compliance risks, including processes to ensure third-party compliance with company standards, fraud-specific risk assessments and region or country risk-based assessments. Bayer also has an ethical deci-

sion-making framework for employees. No breaches in countries in scope were found in the period of analysis.

Bayer supports the Doha Declaration on TRIPS and Public Health. However, it claims to support an efficient and balanced approach to intellectual property protection, aligned with the TRIPS Agreement, while highlighting a need for appropriate measures for the development of innovative products.

Fulfils most criteria with its process for measuring and reporting the patient reach of its contraceptives in LMICs. The process covers all countries in scope of the Index (where the company operates) and Bayer publicly provides the underlying equation, metrics and assumptions. The resulting patient reach numbers were published from 2019 to 2023 and demonstrate improvements. The process also has a measurable patient reach goal but no associated health outcomes goal was identified.

RESEARCH & DEVELOPMENT

RANK 11

SCORE 2.40

11th place. Bayer performs above average in this Technical Area. It has an access planning framework in place, publicly commits to access planning from Phase II onwards and applies this to more than half of its late-stage pipeline candidates. The company has a small-sized priority R&D pipeline, which has declined in size. However, its access plans have a broader geographic reach, on average, compared to other companies. Bayer does not publicly disclose disaggregated R&D investment data, and it has regressed in its performance in R&D capacity building.

Structured process in place to develop access plans during R&D. The process is intended to be applied to all R&D projects in scope, no later than Phase II. The company makes a public commitment addressing its systematic approach to access planning for LMICs.

Small-sized priority R&D pipeline, compared to peers, with access plans in place for 100% (2/2) of the late-stage candidates. Bayer has 3 priority R&D projects in its pipeline, including 2 late-stage projects targeting a priority gap. The company focuses on various priority areas, including contraceptives and soil-transmitted helminthiasis. Bayer has access plans in place for both late-stage candidates targeting a priority product gap,

including registration preparation in countries in scope and equitable pricing plans.

Average-sized pipeline compared to peers, that address other diseases in scope, with 43% (3/7) of late-stage projects covered by access plans. The company has 7 late-stage R&D projects targeting other diseases in scope that have not been established as a priority by global health stakeholders. The projects mainly target cancer, cardiovascular diseases and kidney diseases. Bayer provides evidence of access plans for 3 of its 7 late-stage projects. Access plans include registration preparation, post-trial access and equitable pricing plans.

Bayer does not publicly disclose R&D investment data disaggregated by disease category, product type or phase of development.

However, it does disclose anonymised disaggregated R&D investment data to Impact Global Health (formerly Policy Cures Research).

One R&D capacity building initiative was included for analysis but it does not meet all Good Practice Standards (GPS). Bayer's collaboration with Peking University aims to build R&D capacity focused on translational drug discovery for multiple therapeutic areas.

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PRODUCT DELIVERY

RANK 10

SCORE 3.21

10th place. Bayer performs above average in this Technical Area. The company engages in supranational agreements for its contraceptive products and has access strategies for its products across different income classifications, including low-income countries for half of the products assessed. However, data on the outcomes of some of these strategies is limited. Bayer demonstrates Best Practice by registering innovative products widely in LMICs. It newly engages in an intellectual property sharing agreement with a drug discovery initiative.

Bayer registers newer products* in 21 countries in scope on average.

It registers the majority of products assessed in at least 1 of the 10 countries with the highest disease burden; 80% of products are registered in at least 1 LIC. The company's rivaroxaban (Xarelto®), indicated for stroke prevention, is most widely registered, totalling 74 countries in scope. Bayer reports engaging in mechanisms to facilitate registration, for example, through the WHO Collaborative Registration Procedure (SRA CRP) for its contraceptive device.

Supplies 3 products through supranational agreements.

All 3 products assessed are contraceptives supplied through the United Nations Population Fund (UNFPA). The company demonstrates access strategies for all 3 products in at least one country not eligible for supply via UNFPA. For the non-eligible country example, Bayer has goals to improve availability and affordability for the most vulnerable populations and demonstrates efforts in reaching these goals. Patient reach is reported for all 3 products, for both the supranational agreement and the non-eligible country example.

One healthcare practitioner (HCP)-administered product covered by access strategies in all 3 income country classifications.

For the product assessed, Mirena®/LNG-IUS, a long-acting intrauterine contraceptive device, the company provides examples of access strategies in all 3 country income classifications (UMIC, LMIC, LIC), but the quality of these varies across the 3 country examples. Bayer has a comprehensive strategy in Egypt (LMIC), where a price agreement with the national reimbursement authority, and an additional supply channel via UNFPA, have enabled a considerable increase in access to the product in the public sector. In Uganda (LIC), the product is also supplied via UNFPA and via an additional donor programme. Patient reach data is reported for all 3 country examples, with evidence of increasing the number of patients reached from 2022 in Egypt (LMIC) and Brazil (UMIC). Bayer plans to continue progressing all the strategies and increase access further.

Provides evidence of access strategies for its self-administered products in some countries, though information on the outcomes is limited.

For 4 of the 5 products, Bayer provides evidence of access strategies in UMIC and LMIC examples. The company demonstrates some

efforts in considering payers' ability to pay in its strategies, however, it could further refine its strategies and expand to LICs. In Colombia and China (UMICs), the company has secured public reimbursement for 4 of the 5 products analysed. For 2 cancer products – Darolutamide (Nubeqa®) and sorafenib (Nexavar®) – it implements patient assistance programmes to improve access in India (LMIC), a country where most patients pay out of pocket. Bayer only provides evidence of patient reach for a few of the examples analysed, as well as limited information on the approaches used to measure outcomes and track progress.

Bayer publicly commits not to file for or enforce patents for all products in all low-income countries in scope.

Publicly discloses product patent status for countries in scope. Like most peers, Bayer publicly discloses patent information for small molecules in scope via the Pat-INFORMED database, including information such as filing date, grant number, grant date and jurisdiction.

Bayer does not engage in non-exclusive voluntary licensing for products in scope.

Three of the four manufacturing capacity building initiatives included for analysis meet all GPS. For example, Bayer supports the Institute of Vaccine and Medical Biologicals (IVAC) in Vietnam to meet Good Manufacturing Practice standards for full production of an egg-based COVID-19 vaccine. IVAC plans to manufacture enough doses to cover 80% of the target population in Vietnam.

Both supply chain capacity building initiatives included for analysis meet all GPS. In 1 initiative, Bayer is part of the Reproductive Health Supplies Coalition's Global Family Planning Visibility and Analytics Network (GFP-VAN). GFP-VAN collects data from multiple sources, allowing reproductive health supply procurers to have visibility of the supply chain and prevent stockouts.

All 5 health system strengthening initiatives included for analysis meet all GPS. For example, since 2021, Bayer has partnered with Egypt's ministry of health to enhance screening, diagnosis and treatment of hepatocellular carcinoma. The initiative aims to provide screening at 70 centres nationwide, with 80% of diagnosed patients starting treatment.

Bayer newly engaged in an IP-sharing agreement with a drug discovery initiative to accelerate drug development. In this agreement, Bayer shares its molecule libraries with Medicines for Malaria Venture to identify potential new therapies. The company also remains engaged in existing agreements.

Fulfils most criteria for ad hoc donations. Bayer has policies and supply processes to carry out ad hoc donations rapidly in response to expressed need, with delivery monitored to ensure donations reach patients. However, the company does not make public commitments to adhere to the most recent WHO Guidelines for Medicine Donations.

Bayer publicly commits to continue long-term donation programmes to support the control of Chagas disease and food-borne trematodiasis' and elimination of human African trypanosomiasis and taeniasis. One of its programmes is active in 15 countries in scope, with the company pledging to donate nifurtimox (Lampit®) and suramin (Germanin®) for as long as needed, to achieve goals highlighted by the WHO for elimination of human African trypanosomiasis.

Fulfils all criteria for mechanisms to ensure continuous supply in LMICs. For example, Bayer supplies products, mainly hormonal contraceptives and antibiotics, through contract manufacturers in Algeria and Morocco. For supply in Algeria, Bayer is currently transferring technology to Somedial for 2 additional hormonal contraceptives.

Bayer has a policy for reporting substandard and falsified medicines in countries in scope.

It reports cases to national or local regulatory authorities within 7 days for the most severe risk category and will also consider reporting to WHO Rapid Alert. The company does not provide evidence of shortened timeframes for reporting cases that only require visual inspection for confirmation.

No evidence of inclusive business models that meet inclusion criteria.** However, Bayer engages in initiatives that address access needs of neglected populations. For example, the company financially supported (convertible loan) Zuri Health, an innovative digital health company that connects underserved populations with low-cost health services. As part of its "Hospital In Your Pocket" platform, Zuri provides education, access and product delivery of modern contraceptive products (including Bayer products) to both urban and rural communities in Kenya.

*Products that received their first marketing authorisation within the last 5 years.

**In May 2024, Bayer announced the launch of its Global Health Unit. The full strategy, product and geographic scope have yet to be disclosed, therefore it was not assessed as part of the 2024 Index cycle.