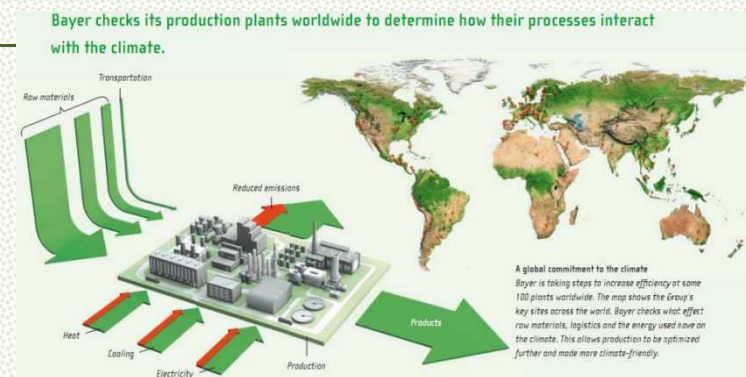
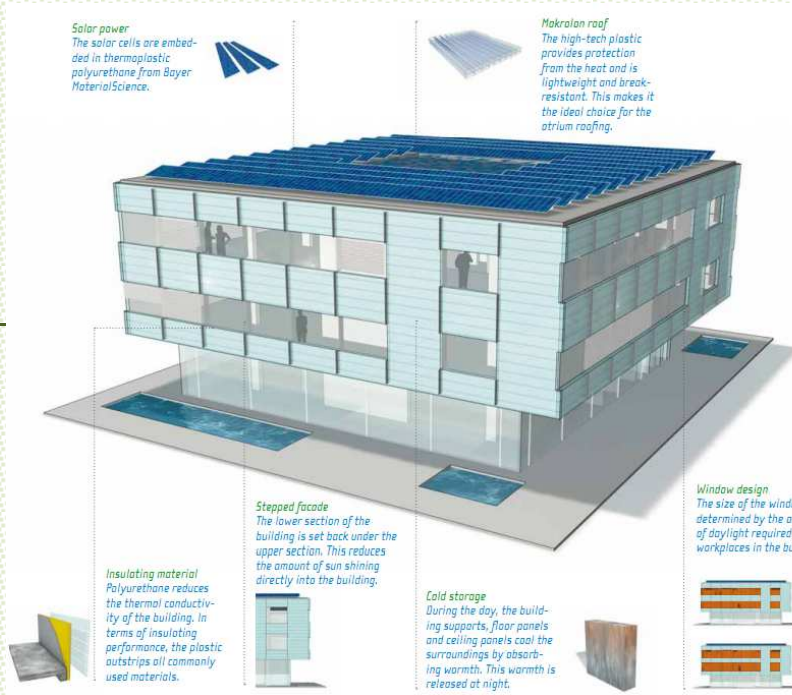


Questions	Answers
<p>▣ Background and purpose of accounting</p>	<p>Recognizing climate change as a megatrend, we began emissions accounting in 2007 of certain Scope 3 emissions starting the so-called Bayer Climate Program in order to maintain corporate transparency, respond to the demands of stakeholders and CDP, and identify areas where reductions can be made in the supply chain. With the publication of the Scope 3 Standard by the GHG Protocol in 2011, it will be possible to determine the potential for reductions through accounting for supply chain emissions.</p>
<p>▣ Accounting methodology</p>	<p>We set the scope of accounting based on the standard of financial control, in accordance with the standards of the GHG Protocol. In addition to the categories defined by the Scope 3 Standard of the GHG Protocol, such as purchased materials, transportation, business travel, leased vehicles, and product disposal, we also account for emissions at the data centers of outsource contractors.</p>
<p>▣ Internal system for accounting</p>	<p>Bayer has three subgroups: health care, crop science, and material science. The accounting results of each subgroup are reported to a company-wide environmental department, compiled, and disclosed in a centralized site information system (BaySIS).</p>
<p>▣ Use of accounting results</p>	<p>We disclose information in our report to CDP, different sustainability ratings and the annual Sustainability Report. Internally, we also analyze the results of accounting for business and process optimization in various areas.</p>
<p>▣ Benefits of accounting</p>	<p>Accounting allows us to identify major sources of emissions in the supply chain and take steps to reduce them. Also, quantitative determination of emissions allows us to establish reduction targets.</p>



Questions	Answers
<p>▣ Efforts to reduce supply chain emissions</p>	<p>We are reducing the frequency of business trips by using videoconferencing, and we are optimizing transportation and storage through modal shifts, etc. We also operate the Eco Commercial Building Program to build and promote buildings that use Bayer's latest technologies and materials and to reduce emissions at the stage of use of Bayer products and services.</p> 
<p>▣ Issues in supply chain emissions accounting</p>	<p>We do not perform accounting in all categories. We consider it adequate to perform accounting only in important categories, considering the availability of usable data and the scope of impact. Also, the fact is that adequate emissions unit values have not been determined, and it is necessary to handle Scope 3 emissions accounting on a case-by-case basis. We believe that it would be difficult to establish unified emissions unit values.</p>
<p>▣ Advice for those beginning to account for supply chain emissions</p>	<p>Increasing first internal transparency to evaluate the emission level under a LifeCycle Approach helps to identify own improvement potential, a meaningful target setting and delivers a decision set for a meaningful interpretation towards communication under several national and international standards.</p>