

AUSTRALIAN PACKAGING COVENANT
Annual Report
For
Bayer CropScience Pty Ltd



1 January 2022 to 31 December 2022

RESTRICTED

1.0 Company Information

Bayer is a global enterprise with core competencies in the fields of health care, nutrition and agriculture. Bayer's mission statement, "Bayer: Science for a Better Life" is core to the production of Bayer products, which are designed to benefit people and improve their quality of life. As an inventor company, Bayer plans to continue setting trends in research-intensive areas. Innovation is the foundation for competitiveness and growth, and thus for the company's success in the future.

Bayer's knowledge and products are helping to diagnose, alleviate or cure diseases, improving the quality and adequacy of the global food supply, and contributing significantly to an active, modern lifestyle. Bayer's expertise and innovative capability also enable us to offer solutions for protecting the earth's climate and addressing the consequences of climate change.

In Australia and New Zealand, Bayer has invested significantly in local research and manufacturing for more than 80 years. From early 2016, Bayer has been divided into three business groups: Pharmaceuticals, Consumer Health and Crop Science; our categories for the Sustainable Packaging Guidelines (SPG) reflect these groups.

As a result of a range of changes within Bayer and under the Covenant, Bayer Crop Science (BCS) became a signatory to the Covenant in late 2018. BCS has submitted its first Covenant Action Plan under its new Covenant obligations, which is separate from the Covenant activities of Bayer Australia Limited (BAL) that address the Pharmaceuticals and Consumer Health business groups. BAL has been a Covenant signatory since 2001. BCS is a standalone legal entity.

Bayer employs over 101,300 people worldwide. Bayer Crop Science employs around 220 people in Australia and New Zealand. Bayer Australia and New Zealand, and Bayer CropScience Pty Ltd are fully owned subsidiaries of Bayer AG based in Leverkusen, Germany.

Head office for Bayer Crop Science is located at Hawthorn East, Victoria. Other locations for Bayer Crop Science in Australia include Toowoomba, Pinkenba and Eight Mile Plains in Queensland, Campbellfield in Victoria and Narrabri in New South Wales. Our Covenant contact officer is based in Bayer's Pymble office in Sydney.

2.0 Bayer Crop Science

The Crop Science Division of Bayer is a world-leading agriculture enterprise with businesses in seeds, crop protection and non-agricultural pest control. The Crop Protection / Seeds operating unit markets a broad portfolio of high-value seeds and innovative pest management solutions, while at the same time providing extensive customer service for sustainable agriculture. The Environmental Science operating unit provided products and services for professional non-agricultural applications, such as vector and pest control and forestry and officially divested from Bayer in October 2022. The majority of Environmental Science's production was while they were under the BCS umbrella, and is therefore reflected in this Annual Report.

The integration of Monsanto Company, which Bayer now owns in its entirety, is now in effect. A third-party toll a range of intermediate bulk containers (IBCs), drums and bottles for BCS; however, we are not including those items in this report, as we believe they are being reported separately and we want to avoid double-counting them. Similarly, where BCS tolls products for other companies, we have not included data for products reflected elsewhere for those clients.

As a result of a range of changes within Bayer and under the Covenant, BCS became a signatory to the Covenant in late 2018.

3.0 Period Covered

This Annual Report covers the period 1 January 2022 to 31 December 2022, inclusive, in line with Bayer's financial reporting which is done on a calendar year basis.

4.0 Outcomes Achieved

Outcomes are reported against BCS's Action Plan and grouped under the appropriate Covenant approaches. Following discussions with APCO, the List of 2023 APCO Annual Report Questions (last updated 2 February 2023) has been used to frame responses; a few questions have therefore been modified from previous lists of questions.

Criteria 1: Governance & Strategy

Given the full extent of Bayer's products and a long-standing interest in integrating sustainability throughout our operations, Bayer's packaging sustainability strategy is incorporated within our procurement and broader sustainability strategies.

The Bayer [Corporate Compliance policy](#) incorporates sustainability as a key area, which outlines how the Bayer Group procures and uses products and services and aims to integrate environmental and social considerations into our procurement policies and practices. We acknowledge that enhancing our environmental and social performance is a continuous process, with our suppliers playing a key role in our journey to becoming more sustainable.

The Bayer Group in Australia enact the Global Procurement policy to consider how we procure products and services across all businesses. All Group Companies in Australia follow this policy when purchasing products or services from external sources.

Bayer sources its packaging materials from a wide variety of packaging suppliers both locally and internationally. In addition to verifying quality and environmental management practices, suppliers are asked to document corporate social responsibility (CSR) initiatives to create long term value for shareholders; employees and their families; and the communities in which they operate.

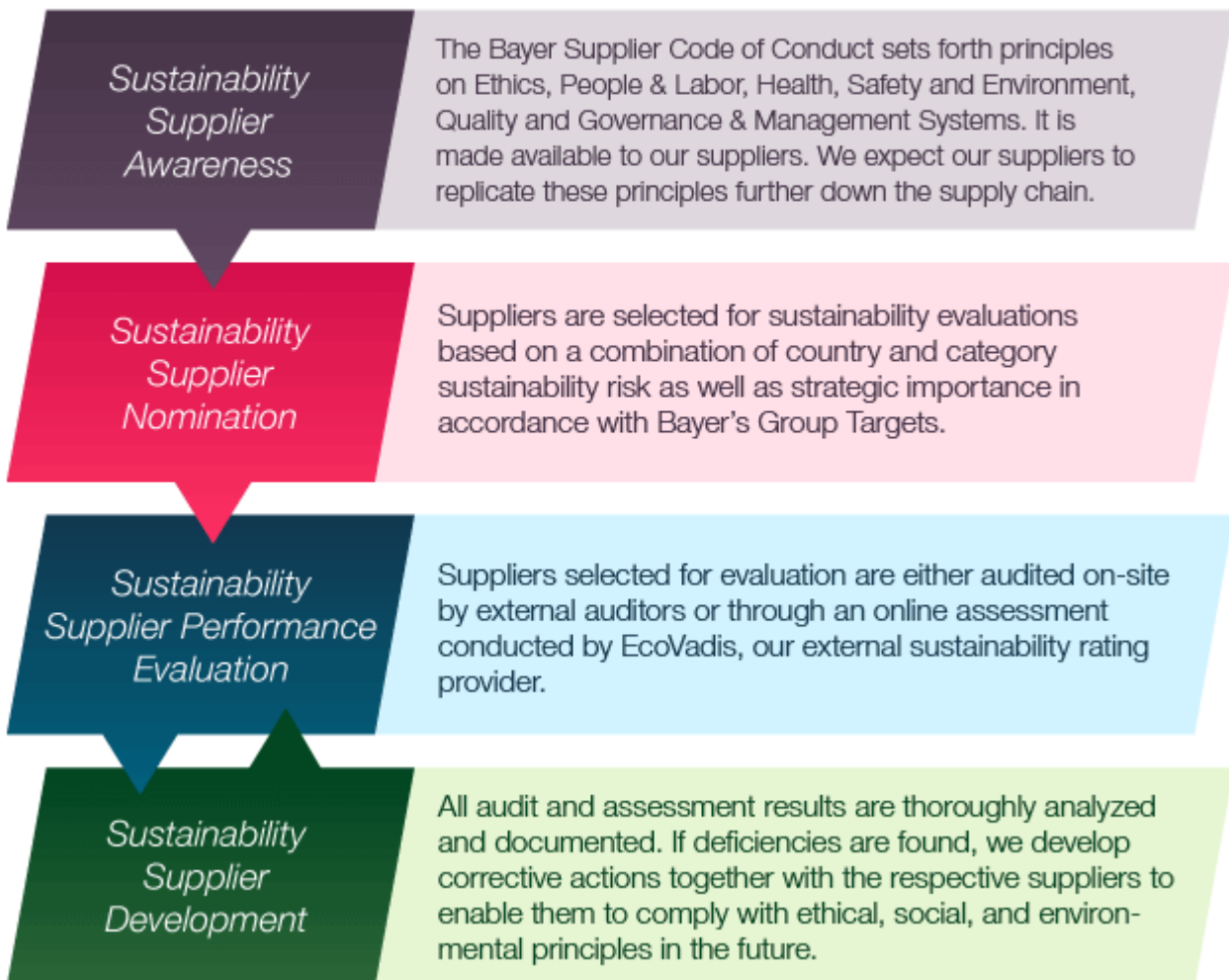
Bayer expects all suppliers to share the principles expressed in the [Bayer Supplier Code of Conduct](#). Furthermore, suppliers must recognise Bayer's commitment to the Australian Packaging Covenant and commit to observe the Covenant in utilising, where appropriate, more sustainable packaging along with increasing recycling rates and reducing packaging waste.

These principles demonstrate how Bayer assumes its responsibility concerning social, ecological, and ethical standards and how Bayer Group companies put into practice the principles of sustainable development in their daily operations.

Bayer has a [Sustainable Development Policy](#) in place as well as the Global Procurement guidance and policy detailing its commitment to:

- Integrating environmental and social considerations into our procurement policies and practices;
- Encouraging suppliers to adopt practices that minimise environmental and social impacts;
- Minimising the negative impacts of goods and services across their life cycle;
- Ensuring all key supply chain staff are trained in sustainable supply practices to ensure effective implementation of our policy; and
- Ensuring we conduct our procurement processes in a manner that is ethical, fair and transparent, whilst respecting confidential information.

To improve sustainability practices within the supply chain we follow a 4-step management process:



Part of our responsibility as a global manufacturer is to ensure that all products produced fulfil and adhere to strict quality and risk guidelines.

Bayer is committed to the EU Taxonomy classification scheme and has set up project teams to ensure correct reporting of sustainable initiatives. Our global Public Affairs and Sustainability team is committed to assist Bayer in contributing to meeting the UN Sustainable Development goals by 2030.

These and other sustainability actions and achievements are outlined in detail in the [Bayer Sustainability Report 2022](#). Further information on this will be included in the APCO Bayer Australia Annual Report for 2023.

Annual Report Question 1.1.a: Does your organisation have a documented strategy that includes goals (objectives) and targets for packaging sustainability that addresses the Sustainable Packaging Guidelines (SPG) (or equivalent)?

Yes.

Bayer expects all suppliers to share the principles expressed in the [Bayer Supplier Code of Conduct](#). We have determined that the practices contained in the range of our procurement practices are equivalent to the SPGs. Bayer will continue to evaluate all new products against the completed group reviews to assess whether the SPG reviews for that are applicable. SPG reviews will be updated to reflect new products that conform to those reviews. New SPG assessments will be conducted for new products that do not conform to existing reviews.

Annual Report Question 1.1.b Does your organisations strategy include a commitment to achieving the 2025 National Packaging Targets?

No.

Australia represents approximately 0.1% of Bayer's total operations, so country-specific requirements will not feature prominently nor warrant specific referencing in policies and practices developed to encompass our global operations. We will continue to apply country-specific requirements where possible.

Annual Report Question 1.1.c Is this strategy integrated within your business processes and has it been approved by an executive or board of directors?

Yes.

In 2014, Bayer incorporated a variety of improvements to procurement practices, including updates to the Bayer Supplier Contract. Globally, Bayer continues to work with Procurement to identify where improvements may be made to assess suppliers' sustainability credentials in addition to further integration of sustainability and procurement conditions in supplier contracts.

These principles demonstrate how Bayer assumes its responsibility concerning social, ecological, and ethical standards and how Bayer Group companies put into practice the principles of sustainable development in their daily operations.

Due to the nature of Bayer's products and their packaging, reassessment and packaging redesign are rarely pursued, which limits greater incorporation of the SPGs.

There are several specific limitations faced by Bayer that include:

- most packaging has already been optimised to protect the product and its characteristics;
- most product category and packaging decisions are made from our global headquarters in Germany;
- virtually all of BCS's products must be registered with the Australian Pesticides and Veterinary Medicines Authority (APVMA), which places strict requirements on packaging and label design, quality, and performance.

As a result, few packaging changes are likely and where possible Bayer tends to utilise existing packaging types for new products.

Under Australian law, the majority of BCS’s products must be registered with the APVMA, which places strict limits upon packaging, design, quality, performance, and labelling. The registration process helps ensure that the product is safe and will work when used according to the registered label. All packaging must meet the requirements of Standards Australia for packaging of products classified as poisons, and the requirements of the ADG code for packaging of products classified as Dangerous Goods for Transport by Road or Rail. There is a self-assessment tool on the AVPMA website that assists brand owners to determine whether a product requires registration (<https://apvma.gov.au/node/84>).

The SPG assessment criteria will be applied as new products are developed where BCS can exert some influence over the packaging.

Outsourcing our distribution means that BCS has limited control over activities at distribution centres. A variety of recycling practices are already in place at the distribution centres for cardboard, plastic and office paper.

The packaging types that are used by BCS and will form the basis for our SPG groupings are provided in Table 1. These groupings focus on key features such as packaging material type and recycling or management options available for principal materials. Items such as paper/plastic product labels, fibreboard pallet pads and plastic caps and/or tags apply across multiple categories and will be evaluated in the SPG reviews.

Table 1: BCS Product Packaging Groupings

Product Grouping
1. High density polyethylene (HDPE) intermediate bulk container (IBC) and steel frame
2. HDPE bottle, HDPE cap, fibreboard pallet pad, fibreboard carton
3. HDPE drum, metal cap, fibreboard pallet pad, wood pallet
4. Plastic bag, fibreboard pallet pad, fibreboard carton, metal tamper-evident ring
5. Steel drum, steel cap, fibreboard pallet pad
6. HDPE dustcover, steel seal wire, fibreboard pallet pad
7. HDPE IBC, steel frame, steel seal wire, fibreboard pallet pad, plastic tag(s), HDPE dip tube

List valid at the time this Annual Report was prepared

Annual Report Question 1.2 Do you regularly communicate and promote packaging sustainability objectives and targets within your organisation?

Yes.

Globally, via the intranet, Bayer provides all employees with sustainability news updates, which include packaging sustainability. These regular updates include information on our guiding principles, the current carbon savings status, and recognition to Bayer employees who have contributed towards our targets.

We regularly promote drumMUSTER and the SCHÜTZ reuse system throughout BCS to promote reuse and recycling, in addition to being active members in CropLife.

Annual Report Question 1.3 Do you regularly engage or communicate with external stakeholders (suppliers, final consumers, community groups etc.) about the environmental impacts of your packaging?

Yes.

Our response details how sustainability, including our packaging sustainability strategy, is addressed primarily through Bayer's stringent procurement practices. The [Bayer Global Procurement guidance](#) and policy incorporates Sustainability as a key area, and this specifically includes packaging sustainability considerations.

It is BCS's intention to post our Covenant Action Plan and subsequent Annual Reports on the Australian version of our corporate website, in a similar way to Bayer Australia.

In addition to sustainability information regularly shared by the drumMUSTER program, the program itself is featured in a curriculum-based [education lesson plan and activities](#) for students in Year 4, 5 and 6. According to the site,

"The resources provided on the Beating the Drum project support the development of Years 4, 5 and 6 students' understanding of the need for responsible approaches to using the Earth's resources, i.e. by 'reducing, recycling and reusing', leading to a healthier environment. The resources aim to extend existing school recycling initiatives to embrace the idea of 'no waste' or closed loop recycling."

Annual Report Question 1.4 Do you actively participate in any other initiatives to promote packaging sustainability outside of your organisation?

Yes.

As a signatory to the Covenant since 2001, Bayer is committed to evaluating packaging solutions that assist in minimising the effects of packaging on the environment. Packaging plays an important role for Bayer and our customers, ensuring quality, safety and security of products, communicating information to the user and enhancing shelf life.

All Bayer Group Companies in Australia and New Zealand follow the sustainable procurement guidelines and protocols when purchasing products or services from external sources.

Bayer expects all suppliers to share the principles expressed in the [Bayer Supplier Code of Conduct](#). The Supplier Code of Conduct is based on the [principles of the U.N. Global Compact](#) and our [Human Rights Position](#). Our human rights standards in Procurement place particular value on the prevention of [child labour and modern slavery](#). As noted previously, suppliers must recognise Bayer's commitment to the Australian Packaging Covenant and must commit to observe the Covenant in utilising, where appropriate, more sustainable packaging along with increasing recycling rates and reducing packaging waste.

The function continues to identify where we can improve our efforts to assess suppliers' sustainability credentials and to further integrate sustainability and procurement conditions in supplier contracts.

Bayer's [Sustainable Development Policy](#) and Global Procurement Regulation detail many of Bayer's commitments.

Bayer continues to post our Covenant Action Plan and subsequent Covenant Annual Reports on the Australian corporate website.

Regulatory considerations to protect human health and safety, coupled with a decentralised, outsourced distribution model, preclude closed loop reuse options for the vast majority of Bayer's primary and secondary packaging.

Criteria 2: Design & Procurement

Due to the nature of Bayer's products and their packaging, reassessment and packaging redesign are rarely pursued, which limits greater incorporation of the Covenant's Sustainable Packaging Guidelines (SPG).

There are several specific limitations faced by Bayer that include:

- most packaging has already been optimised to protect the product and its characteristics;
- most product categories are imported.

As a result, few packaging changes are likely and where possible Bayer tends to utilise existing packaging types for new products.

Bayer is a member of the Together for Sustainability Initiative. Together for Sustainability (TfS), a joint initiative and global network of 33 chemical companies, delivers the de facto global standard for environmental, social and governance performance of chemical supply chains. The TfS program is based on the UN Global Compact and Responsible Care[®] principles.

Annual Report Question 2.1.a How many of your <baseline metric> have had their packaging reviewed against the Sustainable Packaging Guidelines (or equivalent) in the last 5 years?

0.

○ **2.1.b Please indicate the accuracy of this response**

Accuracy of this number is rated as high.

Annual Report Question 2.2 Do you require your suppliers to use the Sustainable Packaging Guidelines (SPGs) or equivalent for your packaging?

Yes.

The Bayer Sustainable Development policy and associated procurement approaches outlines how the Bayer Group procures and uses products and services and aims to integrate environmental and social considerations into our procurement policies and practices. We acknowledge that enhancing our environmental and social performance is a continuous process with our suppliers playing a key role in our journey to becoming more sustainable. Bayer Group in Australia and New Zealand enacts their Sustainable Procurement policy to consider how products and services are procured across all businesses.

Annual Report Question 2.3 Please tell us about any positive outcomes from your packaging reviews.

N/A.

Annual Report Question 2.4 Do you believe applying the SPGs delivers business value to your organisation?

No.

Sustainable packaging design and procurement considerations are integrated throughout Bayer's global policies and practices, as described elsewhere in this Annual Report. Given the encompassing nature of these policies and practices, we believe the SPGs do not offer business value.

Annual Report Question 2.5 Which of the following Sustainable Packaging Principles have been considered in reviews of your organisation’s packaging against the Sustainable Packaging Guidelines (SPGs)?

- Design for recovery
- Optimise material efficiency
- Design to reduce product waste
- Eliminate hazardous materials
- Use recycled materials
- Use renewable materials
- Design to minimise litter
- Design for transport efficiency
- Design for accessibility
- Provide consumer information on environmental sustainability

All the above.

All Bayer packaging has been optimised given specific product needs, consumer needs and regulatory considerations. These have been the overriding considerations.

BCS has little direct control over packaging for most product categories due to them being imported from various Bayer sites globally, predominantly Germany, China and Indonesia, or due to APVMA registration requirements given the nature of the product. There is some degree of packaging control within the formulation of the Crop Science products from the Pinkenba site and this will be determined in future reports.

Annual Report Question 2.6.a How many of the <baseline metric> have packaging that has been optimised for material efficiency in the last 5 years?

229.

All Bayer packaging has been optimised given specific product needs, consumer needs and regulatory considerations. These have been the overriding considerations.

o **2.6.b Please indicate the accuracy of this response.**

Accuracy of this number is rated as medium.

o **2.6.c Please tell us about any material savings you have made.**

BCS has benefitted from the *Smartline* approach undertaken to simplify and streamline the size and range of packaging concepts used. *Smartline* has provided us increased flexibility with suppliers, enabled greater ability to source packaging from Australian suppliers, reduced complexity of product registrations and laboratory testing, reduced inventory needs and reduced production set-up times.

BCS has 10 1,000 L IBCs produced by SCHÜTZ. SCHÜTZ has substantially refined their internal extrusion blow-moulding technology and invested in new production equipment to optimise wall thickness distribution. This project has successfully reduced the quantity of material needed to make UN-approved IBC inner bottles from a current weight of 15.5 kg to 14.5 kg. The reduced weight has already successfully been in place in SCHÜTZ European Factories for the last few years and SCHÜTZ has confirmed that it does not impact on the quality performance of the inner bottle.

The weight reduction of the ECOBULK / RECOBULK IBCs means a further improvement of our eco balance and carbon footprint;

- Material savings directly lower CO₂ emissions by 1.57 kg per IBC
- With each RECOBULK IBC being fitted with a new inner bottle, the CO₂ savings applies with every reconditioning.

Production was expected to switch over to the new lighter weight bottle in all SCHÜTZ's Australian factories by November 2019.

Criteria 3: Recycled Content

Annual Report Question 3.1 Do you have a policy or procedure to buy products and/or packaging made from recycled materials?

Yes.

Bayer expects all its suppliers to share the principles expressed in the Bayer Supplier Code of Conduct. These principles include recycling and material reutilisation. Due to the large extent of sourcing from overseas suppliers and the uncertainties and costs associated with verifying their activities to an appropriate level for public reporting, Bayer does not track particular packaging measures, including the volume of recycled content purchased. However, Bayer will conduct investigations with larger suppliers under the new Global Procurement Policy to ascertain their commitment to recycling when considering contracts with them.

Annual Report Question 3.2 Which of the following products that you either purchase or distribute contain recycled materials?

- Your products
- Primary packaging that you use to sell your products
- Secondary packaging that you use to sell your products
- Tertiary packaging that you use to distribute your products
- Other items which you purchase (e.g., Office stationery and supplies, etc.)
- None of the above

Primary, secondary and tertiary packaging, as well as office stationery.

Annual Report Question 3.3a How many <baseline metric> has at least some packaging that is made from recycled materials?

167 of our 229 SKUs have some form of packaging made from recycled materials.

We have reviewed potential use of recycled content with our suppliers, especially regarding plastic packaging. To minimise contamination whilst maintaining chemical transport safety requirements, it would often need to involve co-extruded plastics when designing and producing the containers. This process is being trialed in Germany, but SCHÜTZ have indicated that such technology is at least four years away from being viable in Australia.

- o **3.3.b Please indicate the accuracy of this response.**

Accuracy of this number is rated as High.

Annual Report Question 3.4 If you do not currently use recycled materials in any of your packaging, please indicate why:

- Cannot find a supplier who provides recycled materials
- We cannot use recycled materials in contact with our product
- Cost is prohibitive
- Other (please indicate)
- Not applicable

N/A.

Criteria 4: Recoverability

Annual Report Question 4.1.a How many of your <baseline metric> have all packaging components that are recoverable (i.e., recyclable or compostable) at end-of-life?

223 of our 229 SKUs are fully recoverable. 6 vegetable seed pouches that have been optimised for product delivery are not recoverable. Two of our SKUs covered through the SCHÜTZ system include dip tubes that are not reused in the SCHÜTZ system and contain components that make them non-recoverable; however, those are considered part of the product application, not the product packaging, and have therefore been excluded from these calculations.

o 4.1.b Please indicate the accuracy of this response.

Accuracy of this number is rated as High.

Annual Report Question 4.2.a How many of your <baseline metric> have separable components with mixed recoverability at end-of-life? (e.g., a jar that is recyclable with a lid that is not recyclable).

6 vegetable seed pouches are not recoverable.

o 4.2.b Please indicate the accuracy of this response.

Accuracy of this number is rated as High.

Annual Report Question 4.3 How many of your <baseline metric> have been assessed in the Packaging Recyclability Evaluation Portal (PREP)?

0.

BCS products are largely not consumer-facing nor likely to end up in kerbside recycling programs, so we are not seeking ARLs for them, nor entered their data in PREP.

Annual Report Question 4.4 If you use compostable packaging, please indicate the type(s) of compostable certification (if any):

- Certified home compostable (AS5810)
- Certified industrial compostable (AS4736)
- Certified compostable to another certification
- Compostable (not certified)

N/A. No compostable packaging is used.

Annual Report Question 4.5 How many of your <baseline metric> are not recoverable at end-of-life and must go to landfill? (i.e., not recyclable or compostable)?

6 vegetable seed pouches are not recoverable. Two of our SKUs covered through the SCHÜTZ system include dip tubes that are not reused in the SCHÜTZ system and contain components that make them non-recoverable; however, those are considered part of the product application, not the product packaging, and have therefore been excluded from these calculations. Most other BCS products are recoverable through drumMUSTER or through the SCHÜTZ reuse system described below.

Annual Report Question 4.6.a Have you investigated if there are any opportunities to use reusable packaging?

Yes.

22 of BCS's products utilise the SCHÜTZ Australia Pty Ltd (SCHÜTZ) national recycling system. The SCHÜTZ system involves a ticket service where resellers or end-users register their empty SCHÜTZ containers for collection and reconditioning. When an IBC is empty and returned by the grower, stores contact SCHÜTZ to arrange a collection. All return freight is covered by SCHÜTZ. These stores must have a minimum of 4 IBCs on hand, and SCHÜTZ will collect from distributors within 10 working days of booking the collection. Empty containers do not require rinsing, however some conditions apply as indicated on the label plate of the IBC or the SCHÜTZ website.

SCHÜTZ also has a collection program for some 100-120 L drums used by growers for a minimum of 10 drums.

Regulatory considerations to protect human health and safety, coupled with a decentralised, outsourced distribution model, preclude closed loop reuse options for a range of BCS's primary and secondary packaging. Reuse and recycling programs for appropriate products under drumMUSTER and the SCHÜTZ reuse are detailed throughout this report. We are proud of BCS's leadership and stewardship in recycling and reuse of our packaging and will continue being an industry leader on this front. Additional information on the sustainability of these initiatives is available on the respective companies' websites and educational materials.

BCS use Bayer-owned and -operated warehousing at the Pinkenba site in Queensland. BCS also use Booth's transport and warehouse facilities for most of its transport and external warehousing. BCS currently use third-party warehousing under the Booth umbrella.

BCS will continue to encourage reuse of our product-specific IBCs and related reusable packaging where appropriate.

Annual Report Question 4.6.b If yes, how many of your <baseline metric> have packaging for which all components are reusable?

22.

o 4.6.c Please indicate the accuracy of this response.

Accuracy of this number is rated as High.

Annual Report Question 4.7.a Which of the following reusable business to business items did your organisation utilise during the previous 12-month reporting period?

- Pallets
- Crates
- Drums
- Intermediate bulk containers (IBCs)
- Other (please specify)
- None of the above

BCS has used all the listed items except for 'None of the above'.

o 4.7.b For each of the items above are ticked a new question will appear that asks:

Tick all that apply- Was this reused:

o Internally (between your organisation's sites & facilities)?

o Externally (with other organisations such as suppliers or customers)?

All reuse is external.

Annual Report Question 4.8 Does your organisation participate in any of the following closed-loop recovery programs/alternative collection systems for your packaging?

- REDcycle
- Terracycle
- Container deposit schemes
- DrumMUSTER
- Other (please specify)
- N/A- all our packaging is recoverable through mainstream recovery systems e.g. kerbside collection

Post-consumer recovery of BCS packaging occurs primarily through the voluntary drumMUSTER program, which helps to manage and dispose of empty 'Agvet' chemical containers across rural and urban Australia. Under drumMUSTER, which is administered by AgSafe Limited for AgStewardship Australia, a voluntary levy of \$0.06 per litre or kilogram is applied to crop production and animal health products used for:

- agricultural and livestock production
- industrial and recreational pest and weed control
- forestry
- household pest control operations
- similar activities conducted by government authorities.

A drumMUSTER logo is indicated on products that have paid the levy. drumMUSTER collects eligible non-returnable metal or plastic containers above one L / kg and up to 205 L / kg in declared content. All drumMUSTER containers must be appropriately rinsed prior to collection in order to safely manage chemical residues and to reduce contamination.

Criteria 5: Disposal Labelling

Annual Report Question 5.1 How many of your <baseline metric> have labelling on-pack to inform the consumer of how to correctly dispose of the packaging?

120, comprising 98 SKUs in drumMUSTER and 22 SKUs in SCHÜTZ, and all have on-pack labelling. An additional 51 SKUs are exported and would be included in either program, but are labelled differently due to export.

o 5.1a Please indicate the accuracy of this response.

Accuracy of this number is rated as High.

Annual Report Question 5.2 Which of the following labels does your company presently use?

- Australasian Recycling Label (ARL)
- Mobius loop/Recycling symbol
- Tidy Man
- Written instructions
- REDCycle

- Other (please specify)
- None of the above

Other.

120 SKUs use some other approach, comprising 98 SKUs in drumMUSTER and 22 SKUs in SCHÜTZ, and all have on-pack labelling. An additional 51 SKUs are exported and would be included in either program, but are labelled differently due to export.

Criteria 6: On-site Waste

Annual Report Question 6.1 Tick which of the following packaging materials you have recycling program for:

- Paper/Cardboard - Yes
- Soft Plastics - No
- Rigid Plastics - Yes
- Timber – No
- Textiles - No
- Glass - Yes
- Metals - Yes
- All materials have waste collection programs – N/A
- None of the above – N/A

All of Bayer's distribution within Australia is outsourced. BCS uses its own warehousing at our Pinkenba site in Queensland. BCS also use Booth's transport and warehouse facilities for most of our transport and external warehousing. The Kwinana plant was divested in 2019. BCS currently use third-party warehousing under the Booth umbrella.

All sites have paper recycling and commingled recycling. The Pinkenba manufacturing site has steel recycling and pallet recycling.

Under Bayer Group requirements, sites without any production, research and development or warehousing activity are required to develop and implement a waste management concept and associated procedures. A waste management concept was adopted in August 2012 to bring the Bayer Australia and New Zealand non-production sites in line with these ongoing requirements. This includes the Hawthorn office Bayer Crop Science site. The waste management concept specifies explicit disposal procedures for the following items:

- Hazardous substances
- Sharps disposal
- Spills
- Office waste
- Grease trap waste

The following hierarchy applies as a priority order in waste management:

- Waste prevention is practiced as far as reasonably practicable.
- Waste that is generated despite waste prevention measures is recovered or recycled to substitute primary material or energy resources as far as reasonably practicable.
- Residual waste that remains after taking into consideration all options for preventing or recovering waste is disposed of in an environmentally compatible manner and according to legal requirements and operating permits.

Annual Report Question 6.2.a Over the reporting period, how much of the waste your organisation generated on-site was diverted from landfill (was recycled, composted, reused or sent for energy recovery)?

226 tonnes of material were recycled or sent for reuse from the Pinkenba production facility. Given total waste generation of 266 tonnes, 85% of waste generated on-site was diverted from landfill.

o 6.2.b Please indicate the accuracy of this response.

Accuracy of this number is rated as Medium.

o 6.2.c Which of the following facilities are included in the above waste data?

- Offices
- Warehouses
- Stores
- Manufacturing facilities
- Other (please specify)
- None of the above

Manufacturing facility.

Criteria 7: Problematic Materials

Annual Report Question 7.1 Over the reporting period, which of the following activities did you undertake to help reduce the impact of litter?

- Conduct regular clean ups
- Participate in Business Clean Up Day
- Sponsor a clean-up day
- Undertook a litter education campaign
- Other (please specify)

Our products do not end up in the litter stream, so our cleanup efforts are focused on regular on-site cleanups. That is an appropriate level of responsibility given our actual impacts.

Annual Report Question 7.2 Please indicate which of the following problematic, unnecessary, and single-use plastic items your organisation sells or distributes:

- Lightweight plastic shopping bags.
- Fragmentable (e.g. oxo degradable) plastics.
- Expanded polystyrene (EPS) packaging for food and beverage service and retail fresh produce.
- EPS loose fill packaging.
- Moulded EPS packaging for white/brown goods and electronics.
- Rigid polyvinyl chloride (PVC) packaging.
- Opaque polyethylene terephthalate (PET) bottles.

- Rigid plastics packaging with carbon black.
- Not applicable.

N/A. BCS does not use any of these materials.

Annual Report Question 7.3 Please indicate which of the following problematic, unnecessary, or single-use plastic items your organisation is investigating options to or are actively working to phase-out:

- Lightweight plastic shopping bags
- Fragmentable (e.g. oxo-degradable) plastics
- Expanded polystyrene (EPS) packaging for food and beverage service or retail fresh produce
- EPS loose fill packaging
- Moulded EPS packaging for white/brown goods or electronics
- Rigid polyvinyl chloride (PVC) packaging
- Rigid polystyrene (PS)
- Opaque polyethylene terephthalate (PET) bottles
- Rigid plastic packaging with carbon black
- Not applicable

N/A. BCS does not use any of these materials.

Annual Report Question 7.4 Have you successfully phased out any of the above materials in the last 5 years?

No, as they were not used to begin with.

Additional Information

Describe initiatives, processes, or practices that you have implemented over the previous 24 months that have improved packaging sustainability.

BCS will continue to participate in the drumMUSTER and SCHÜTZ recovery programs.

Describe any opportunities or constraints that affected performance within this reporting period. Frequency of clean-ups was impacted by the COVID pandemic.

5.0 Packaging Metrics

Due to the large extent of sourcing from overseas suppliers and the uncertainties and costs associated with verifying their activities to an appropriate level for public reporting, Bayer does not track particular packaging measures in detail.

Recognising that reporting these metrics is now mandatory, Bayer will report indicative figures confidentially in future Annual Reports, but we note that confidence in the accuracy of those figures is extremely low.

6.0 Covenant Contact Officer

Kate Walker
Regional Health, Safety and Environment Manager
Australia and New Zealand
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7.0 Senior Management Endorsement

Mr. Warren Inwood, Country Head of Bayer Crop Science, endorses this Annual Report and progress towards the commitments contained in our Action Plan.