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News Release

Grão Direto and Bayer collaborate to expand the reach and impact of sustainable practices in grain trading

“Sustainable Practices Badge” seeks to encourage the adoption of more sustainable practices by Brazil’s grain growers

Monheim, Germany/Uberaba, Brazil, November 4, 2021 – Grão Direto, the largest digital platform for grain trading in Latin America, developed in collaboration with Bayer the introduction of the “Sustainable Practices Badge” on its digital marketplace. The badge indicates which farmers on the platform are utilizing agronomic practices that are more beneficial to the environment. The initiative allows the startup to provide even greater security, traceability and efficiency for digital grain transactions on the physical market.

Built in collaboration with Bayer's global sustainability team, the badge is awarded to farmers who score high on a sustainable farming practices survey which assigns a score to key farming practices such as no-tillage practices, reduced use of nitrogen, soil management or types of rotation crops. Farmers that do not receive the badge in the first place are encouraged to learn about and adopt practices that are more beneficial to the environment.

Following a pilot with over 200 participating Brazilian farmers, the initiative is now opening the badging process to all dozens of thousands of Grão Direto’s platform users. Alongside the badge, other ESG data orchestrated from different sources – such as government agencies and monitoring and compliance companies – is used to check, for example, deforestation and labor conformities.

Grão Direto’s product and technology teams were supported by several global Bayer experts, who served as advisors on the most relevant topics for the pilot, including the

best way to approach the farmers, composition of the score, methodology and results. Leaps by Bayer, the impact investment arm of Bayer, also participated in investment rounds for Grão Direto in 2018 and 2021.

“It was an incredible collaborative effort,” stated Frederico Marques, Head of Product and CTO of Grão Direto and leader of the initiative. “Our team was in contact with leading ESG specialists, researched benchmarks from other markets, validated the customer experience and the user acceptance and, of course, defined which agronomic practices – and at what level – are differentials for better environmental care.” For Marques, Bayer's support was important: “It is gratifying to be in a working group with some of the biggest names in the world on sustainability, carbon emissions and digital products for agribusiness. The availability, kindness and involvement of these professionals make us even more confident that we are on the right path to be the digital grain trading platform that most encourages sustainability in the world,” emphasized Marques.

“As a global leader in agriculture with significant scale and reach, we have an increased responsibility to address the challenges facing our food system and agriculture’s impact on the environment, and we believe in strong partnerships,” said Matthias Berninger, Head of Public Affairs, Science & Sustainability at Bayer. “That’s precisely why we collaborated with Grão Direto on the Sustainability Practices Badge. This is a great example of how we incentive farmers to implement solutions to achieve better harvests using less water, land and energy.”

Democratization of information and market demand

The availability of sustainability information on the Grão Direto’s platform also enables better control for buyers, from diverse profiles and sizes, that do not yet have such advanced environmental compliance processes. Therefore, the adoption of sustainability standards in the commercialization of grains can reach beyond large companies, which already have their own and specific ESG sectors. The platform supports and encourages its users to meet the growing demands for sustainability in agricultural commodities businesses, increasing the quality of standards and processes throughout the origination of grain value chain. Furthermore, the technology makes it possible to provide advice and education in cases where the system identifies opportunities to improve users' agricultural practices, thus boosting the general level of sustainability throughout the entire origination

chain. An increase on sustainability awareness in large scale can benefit a variety of important biomes such as the Amazon and Cerrado.

Positioned as a marketplace, Grão Direto's strategy is to gather, process and display ESG data from different sources that actively produce this type of information. Therefore, Grão Direto acts as a client of these monitoring and compliance companies, helping to distribute their products and services, facilitating their connection with new clients and partners, and contributing to their models based on the data generated by the Grão Direto platform. The idea is to provide the market at the right time and in an integrated and accessible way with the information necessary for grain transactions to be closed quickly, safely and with state-of-the-art environmental and social compliance.

“Brazilian farmers are not afraid of sustainability, since the vast majority are engaged and have excellent practices that protect the environment,” said Frederico Marques. “What they are looking for is a simple, integrated, and effective way to demonstrate their suitability.” In this sense, Grão Direto will contribute to Brazil's leadership on this matter. “Our vision is to ensure that all grain traded digitally through the platform has passed well-defined market criteria regarding sustainability, and also promoting best practices and processes for all grain growers and buyers. The ESG theme will open even more doors for Brazilian farmers and we want to boost this movement by supporting efficient, safe and sustainable agribusinesses. This is just the first step”, highlights Marques.

About Grão Direto

Grão Direto is the leading platform for digital grain trading in Brazil, serving thousands of farmers and buyers like, multinational grain trading companies, feed factories, cooperatives, warehouses, brokers, livestock confinement, among others, to trade in the spot market, forward market or in barter operations. To access services, farmers and buyers from Brazil can download the application for free on their mobile devices or connect via computers. There, they have access to various services and support from Grão Direto. In addition, the company has customized solutions for its users to support them in their digital transformation. These services include market intelligence, digitization of the supplier base, digital contracts and documents management, grain pricing tools, origination insights and integration with social and environmental compliance solutions. Everything to make grain trading more efficient, modern and sustainable. For more information, visit www.graodireto.com.br.

About Bayer

Bayer is a global enterprise with core competencies in the life science fields of health care and nutrition. Its products and services are designed to help people and planet thrive by supporting efforts to master the major challenges presented by a growing and aging global population. Bayer is committed to drive sustainable development and generate a positive impact with its businesses. At the same time, the Group aims to increase its earning power and create value through innovation and growth. The Bayer brand stands for trust, reliability and quality throughout the world. In fiscal 2020, the Group employed around 100,000 people and had sales of 41.4 billion euros. R&D expenses before special items amounted to 4.9 billion euros. For more information, go to www.bayer.com.

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