"HR Is Playing a Key Role Enabling Sustainability"

Sarena Lin, CHRO of Bayer AG, about sustainable corporate management and tomorrow's working environment



Sarena Lin, 51, has been a member of the Board of Management and Labor Director of Bayer AG, Leverkusen, since February 2021. As Chief Transformation and Talent Officer, who was born in Taipei / Taiwan, she is responsible for HR, Strategy, and Business Consulting. Lin studied Computer Science, Strategy, and International Relations at Harvard University, Boston, and Yale University, New Haven. From 1998 to 2011, she worked at McKinsey and held roles such as Managing Partner in Taipei as well as Partner in New York. She then worked at Cargill in Minneapolis until 2017, most recently as President of the Feed and Nutrition business. Prior to joining Bayer, Lin worked at Elanco, where she became a member of the Executive Committee with responsibility for Transformation and Technology.





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The war in Ukraine draws attention to one of Bayer's core businesses, the agricultural sector. Cultivation and protection of crops are essential for world nutrition. Bayer does an important job here. How is this discussed among employees and how does HR management contribute to these discussions?

Sarena Lin We as #teambayer are still shocked by the attack and ongoing war in Ukraine and know that we, as a system critical business that supplies essentials for the food production system, have a big responsibility for the world population. This is closely linked to what our employees are feeling proud of our relevance and working toward our company vision of "Health for all, Hunger for none". Since March 2022 our employees and leaders already put our core values into action by showcasing: strong levels of self-organization through donations and offering shelter to those in need; active leadership through our crisis team where HR plays a critical role, seeking quick solutions to ensure the safety and security of our affected employees, both physically and financially; focused support for rebuilding of Ukraine, including future targeted investments and donations, as well as a critical demining machine. All those initiatives are happening in close collaboration with HR and the teams on the ground. Despite the challenging situation for our colleagues in Ukraine - we know that we must stand up for our values and do everything in our power to mitigate the visible effects of war.

For several years glyphosate and Monsanto dominated the headlines of Bayer. How did the workforce cope with that?

Lin Obviously, it is challenging when those discussions become the prevailing external topic when people think about Bayer. The

biggest challenge is that the public discussion about glyphosate is rarely fact-based and objective. Being confronted with the common prejudices about it was not easy for our employees. It is important that we follow the principle of being transparent with the facts, educating our employees not only about the scientific facts, but also keeping employees informed about the legal proceedings and allowing for open exchanges. This helps all of us to be better prepared for open and fact-based conversations with colleagues, friends, and relatives.

You have ambitious sustainability goals – and apparently you are pursuing them successfully: In the benchmark report of the CA100+ investor initiative for 2021, Bayer scored best among 166 companies evaluated. And the ESG rating agency ISS ESG praised Bayer as "Climate Outperformer". How does HR contribute to your sustainability strategy?

Lin We are very proud of our achievements in ESG. It is great to see our "100m x3" initiatives – supporting smallholder farmers, expanding access to healthcare for underserved communities, and providing women in low- and middle-income countries with access to modern contraception – are making progress and are seeing impact. However, we also know that there is much more to be done.

Focus on the Social and Governance Component

HR is playing a key role enabling our sustainability strategy. We are strongly linked to our sustainability unit and in particular focus on the Social and Governance component. Here we are strongly driving Inclusion & Diversity with our recently launched

2030 I&D commitments. This includes the goal of gender parity throughout management, but also striving for adequate representation of nationalities, sexual orientation, generations, and disabilities within our workforce. We also have been conducting annual analysis of gender pay equity to provide transparency, as well as to holding ourselves accountable for progressing on this important topic. Ultimately, HR plays a key role in creating sustainable leadership.

Under the motto "Future Strategy for Germany", your new "Gesamtbetriebsvereinbarung" aims to secure sustainable employment growth at the home location from 2025 onwards. What are the main contents of this package?

Lin The Future Concept 2025 is centrally integrated into our broader group strategy to strengthen the role of Germany for Bayer. We aim to proactively address challenges Bayer is facing in Germany to create a basis for sustainable, competitive, and growing employment in our home country from 2025 onwards. This whole commitment was developed closely between business, HR, and employee representatives to ensure all perspectives were heard. We are very proud about the key contents across all our businesses, for example leveraging our network of external scientific and governmental partners, building up an e-commerce hub, strengthening internal re-skilling and attracting external talents for digital and R&D roles in Germany.

Leadership today means, above all, guiding employees through the transformation, converging values to them, and linking them to a growth perspective for the company. Have you prepared your executives for this key role?

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Lin Yes. Our leaders are the key to unlock a sustainable transformation. We have articulated a set of leadership expectations for One Bayer to unify and optimize how we lead, coach, and drive performance. We aim to foster an inclusive environment helping us to build trust, have courageous conversations, enhance our speed of execution, empower our teams, and role model our inspirational purpose. We have taken our top leaders through a set of leadership training programs earlier this year, and we are in the middle of rolling out an innovative, virtual leadership program to the rest of our 10K people leaders.

Engage. Shape. Perform.

More broadly, we are expecting our leaders to lead the cultural transformation for the organization, a transformation we called "Engage. Shape. Perform.", with the goal of making us a more agile, efficient, and empowered organization.

What can digital tools contribute to transformation? What are your experiences with this?

Lin When we think about the goal of an organizational transformation, we aim to create competitive business products and solutions that benefit society, create an environment where employees are productive and engaged at work, as well as a workplace where processes are efficient, and decisions are fact-based and analytically sound. Digital tools are essential to all these aspects with two major opportunities within HR: better talent management and better employee experience. Artificial Intelligence is an integral part of the future of talent management, contributing to better sourcing of diverse talents, predicting

successful candidates, calibrating performance, and providing insights to succession planning. It also brings more objectivity into the process, which is key in establishing the inclusive and diverse environment we aim for. Better employee experience – by integrating app-based tools that allow intuitive self-service and real time information look up. Digital tools allow for much more seamless and enjoyable employee experiences and frees up valuable time of HR professionals to focus on talent strategies and development.

What is the future of working at Bayer? Where and how do we work – and how do we manage?

Lin First and foremost, "future of work" is here now. We won't go back to the "old normal". We need to embrace the fundamental changes around the way we work, where we work, and how we work and collaborate. We are rethinking the technologies we use to work and are redesigning workspaces to allow for focused and creative exchange to happen. We are giving more freedom to our employees by enabling remote work, as well as establishing virtual assignments and hiring select talents where we are location agnostic. At the same time, it is key to strike the balance of continuing to encourage employees and teams to foster an exciting workplace, so people want to come together recognizing the benefits of physical connectivity and cultural building.

Create a More Fluid and Dynamic Work Environment

The future of work speaks to a more self-advocating workforce. Future talents will have more confidence in demanding how they work, what they work on, and how they

develop. It is going to be the job of our leaders and HR to create a much more fluid and dynamic work environment.

The boss is the coach – does that also apply to Bayer?

Lin Yes, and it is an integral part of how we want our future leaders to accelerate our cultural transformation and live up to their role as coaches and mentors. Our leaders need to build up the muscles of inspiring with a shared vision, motivating with tangible actions, building organizational capabilities, coaching, and creating an inclusive environment for success, and role modelling and enabling others to follow.

The challenges facing talent management are changing, and strategic HR planning is becoming increasingly important. How do you respond to that?

Lin We are not only transforming business and culture within Bayer but are looking at setting up our HR function for future success. With the buildup of our new Integrated Talent Experience function, we aim to be recognized as the best life science company that develops and accelerates the impact of talents. We therefore are approaching talent management through three major angles: attracting the right talent by leveraging remote and virtual working practices, focusing on critical strategic skills while reimagining the way we conduct Talent Acquisition across the world; developing future leaders with a development led culture as foundation, driving performance differentiation across all levels and more strongly focusing on high quality succession planning; building on technology to allow for automation of standard processes while leveraging AI to enable better, faster, and more inclusive talent decisions

Bayer is investing and collaborating with promising start-ups in actively driving the aspired change. These start-up companies are also sources of inspiration for how Bayer wants to foster collaboration and innovation across the Group.

As a global group, Bayer was confronted with the issue of Diversity & Inclusion at an early stage. How did it develop in recent years, where are you today, and what is the next step?

Lin Inclusion & Diversity is not only deeply integrated into our values but also a key focus area for me and my teams. As mentioned before, we set and communicated our I&D commitments for 2030 to drive the needed change and measure ourselves on the development. By setting clear targets across all areas, we are committing to specific actions, such as initiate targeted development programs, mitigate potential bias in the talent management processes, and strengthen I&D capabilities in the organization. We are already being recognized worldwide for our I&D efforts. We were named by Fiercepharma as the #1 Pharma company for DEI 2022 in the U.S., and as the most inclusive place to work in Brazil in 2021, to name a few. And in the German Diversity Index, we have improved again this year and now rank sixth among Dax companies. Great progress so far and still a lot of work ahead of us.

You are a great example of diversity in a large company – how do you use your own CV to not only preach diversity, but to culturally integrate it into HR policies as an integral part?

Lin It comes down to leading by example — walking the talk. Relentlessly driving the execution of our I&D plan, including reviewing all critical talent processes to remove any biases, ensuring diversity in interview slates as well as interview panel. And being very intentional in how we discuss talent in all situations. Personally, I am actively engaged in our Business Resource Groups as well as various leadership gatherings to

share our vision, enable discussions, and to motivate our leaders and employees to be excited about a more diverse, inclusive future.

Your unit "Leaps by Bayer" supports start-ups in biotechnology with money and know-how. Is this a pure investment or do you expect it to be something like a rejuvenation for the corporate culture? Lin Leaps by Bayer is focused on tackling fundamental breakthroughs and shift core paradigms in our industries. We aim to tackle ten Leaps that could have greatest impact on humanity - most of which are not possible today. Therefore, we are investing and collaborating with promising start-ups in actively driving the aspired change. These start-up companies are also sources of inspiration for how we want to foster collaboration and innovation across the Group. For example, how do we encourage agile experimentation and celebrate failure; how do we encourage each other to challenge status quo; or how do we foster external collaboration and work jointly across industries and regions to create the best possible outcome.

In 2021, Bayer spent a total of 5.3 billion euros on research and development. What is HR doing to keep up the pace of innovation?

Lin We at Bayer are extremely proud to live to our purpose "Science for a better life" and therefore, the R&D investments are crucial for the development across all our business.

More Reliable, Effective, and User Friendly

Within HR we are investing heavily in building up our Employee Experience Plat-

forms, collaborating with external AI driven companies to improve our Talent Management approach, developing new state of the art real-time talent cockpits as well as to work together with IT to transform our HR system landscape to be more reliable, effective, and user friendly. This will be a key enabler for our leaders to combine data-based decisions and talent development sustainably. We are also investing in experimentation with new talent models. How do we really do strategic skills planning? How do we identify and assess potential? How do we evolve our HR operating model beyond the traditional Ulrich model to keep up with the changing talent and organization needs?

Bayer is one of the founding members of the "Jugend forscht" competition. How hard is it today to get young people interested in science and technology?

Lin It is more important than ever that we encourage and excite young people to explore the frontiers of science and technology. At Bayer, we are doing a lot to trigger young people's interest in the fascinating world of science. In Germany, support for "Jugend forscht" continues to be part of this, while in other countries it is our "Science Makes Sense" initiative. Added to this are the diverse activities of our Bayer Science and Education Foundation.

Interview: Ralf Steuer and Christoph Stehr

