



Science For A Better Life

Bayer  
Annual  
Report

2013

UN Global Compact  
Bayer Progress Report 2013  
based on the Blueprint for  
Corporate Sustainability  
Leadership Criteria  
Summary



# UN Global Compact

## Bayer COP Reporting 2013 based on the UNGC Blueprint for Corporate Sustainability Leadership Criteria – Summary

Bayer has supported the United Nations Global Compact (UNGC) since its foundation in 2000. We want to make a positive contribution to the social and environmental side of globalization by raising standards in the fields of human rights, labor rights and environmental protection and in the fight against corruption. In 2011 Bayer was one of the first signatories of "LEAD," the platform for corporate sustainability leadership of the Global Compact.

Bayer provides a Communication on Progress (COP) toward UNGC goals and principles in the form of an integrated "Annual Report" ("Bayer Annual Report 2013 – Augmented Version": [www.bayer.com/ar13](http://www.bayer.com/ar13)). This COP contains a statement by the CEO expressing continued support for the Global Compact and renewing our company's ongoing commitment to the initiative and its principles. We report our progress in implementing the ten UNGC principles at the Advanced Level and additional aspects.

The time period covered by this COP: January 1, 2013 to December 31, 2013.

The tables below provide an overview of our reporting against the UN Global Compact Blueprint for Corporate Sustainability Leadership criteria and where to find the information in our reporting. In our page references and online annexes (OA = online annex (numbered)) we refer to the "Bayer Annual Report 2013 – Augmented Version" in English.

Blueprint Criteria	Reference pages and online annexes referring to "Bayer Annual Report 2013 – Augmented Version" Additional comments and links added
<b>IMPLEMENTING THE TEN PRINCIPLES INTO STRATEGIES AND OPERATIONS*</b>	
<b>FULL COVERAGE AND INTEGRATION ACROSS PRINCIPLES</b>	
1. Implement all the ten UN Global Compact principles into strategies and operations.	Communication on Progress 2013: "Bayer Annual Report 2013 – Augmented Version"
2. Design corporate sustainability strategy to leverage synergies between and among issue areas and to deal adequately with trade-offs.	p. 132, OA 3-6-4
3. Ensure that different corporate functions coordinate closely to maximize performance and avoid unintended negative impacts.	p. 49, 120, 132, 133, 147, 214-215
<b>ROBUST MANAGEMENT POLICIES AND PROCEDURES</b>	
4. Assess risks and opportunities on an ongoing basis at both enterprise and product level and undertake due diligence to ensure that the company identifies any negative impacts caused by its operations and activities.	Risk management: p. 190, 214-221 Process, plant & transport safety: p. 130f. Product stewardship: p. 119-128, 219f. Acquisitions: p. 132
5. Develop strategies and policies specific to the company's operating context – as well as scenarios for the future – and establish measurable short, medium, and long term goals.	Strategies & policies: p. 101, 104, 109-113, 117, 126, 132, 133f., 138, 142f., 191, 193, 216, 221; OA 3-6-4 Goals: p. 49f., 95, 138
6. Engage and educate employees through training activities, the development and adjustment of business processes, and sound incentive schemes.	Training: p. 99-101, 104, 107; OA 3-7-5, 3-7-7, 3-7-14, 3-8-5, 3-10-BCS-2, 3-18.3-1 Incentives: p. 194f.
7. Implement a system to track and measure performance based on standardized performance metrics.	p. 98, 191, 194f.; OA 3-6-2, 3-7-7

\*see page 3

Blueprint Criteria	Reference pages and online annexes referring to "Bayer Annual Report 2013 – Augmented Version" Additional comments and links added
<b>MAINSTREAMING INTO CORPORATE FUNCTIONS AND BUSINESS UNITS</b>	
8. Place responsibility for execution of sustainability strategy in relevant corporate functions (procurement, government affairs, human resources, legal, etc.) and ensure that no function is operating in conflict with sustainability commitments and objectives of company.	p. 48f., 94f., 147, 186, 195, 214f., 221; OA 3-6-3
9. Align strategies, goals and incentive structures of all business units and subsidiaries with corporate sustainability strategy.	p. 48f., 94f., 132, 147, 195, 221
10. Assign responsibility for corporate sustainability implementation to an individual or group within each business unit and subsidiary.	p. 48f., 94f., 186
<b>VALUE CHAIN IMPLEMENTATION</b>	
11. Analyze each segment of the value chain carefully, both upstream and downstream, when mapping risks, opportunities and impacts.	p. 48, 57/58, 84f., 94f., 108ff., 114, 116ff., 119ff., 191f., 214-224
12. Communicate policies and expectations to suppliers and other relevant business partners.	p. 109f., 220; OA 3-6-2, 3-7-5, 3-8-5, 3-8-6
13. Implement monitoring and assurance mechanisms within company's sphere of influence.	p. 109-113, 202; OA 3-6-2, 3-8-3, 3-8-4
14. Undertake awareness-raising, training and other types of capability building with suppliers and other business partners.	p. 111, OA 3-6-2, 3-8-5, 3-8-6

**\*IMPLEMENTING THE 10 PRINCIPLES WITHIN STRATEGIES AND OPERATIONS**

The following table provides a concise summary of the activities and management systems at Bayer that support the ten principles of the Global Compact and the results which were achieved in 2013.

**UNGC PRINCIPLE 1: SUPPORT OF HUMAN RIGHTS**

Systems	Measures 2013	Achievements 2013
<ul style="list-style-type: none"> <li>Human Rights Position, p. 101, 221; OA 3-6-4, 3-7-8</li> <li>Corporate Compliance Policy, p. 101, 191, 216, 221; OA 3-6-4</li> <li>Bayer Sustainable Development Policy, p. 132; OA 3-6-4</li> <li>Policy guidelines by Procurement Community, OA 3-6-2</li> <li>Procedure for selecting and evaluating suppliers, p. 109-112, 220; OA 3-8-3 to 3-8-7</li> <li>Supplier Code of Conduct, p. 109, 220; OA 3-6-4, 3-7-5, 3-8-2</li> <li>Group-wide directives on occupational health and safety, p. 128</li> <li>HSEQ management, p. 95, 128-132, 147, 217</li> <li>HSEQ Committee OA 3-6-3</li> <li>Non-financial Targets, p. 49-50, OA 3-1.3-1 (p. 50-52)</li> <li>In case of acquisitions we examine prior to the transaction whether the applicable environmental and occupational safety regulations and fundamental employee rights are complied with at the production sites in question, p. 132</li> </ul>	<ul style="list-style-type: none"> <li>The information and training program on human rights is part of the mandatory human rights training sessions or obligatory compliance trainings at many of our sites, p. 52, 101, 109, 111; OA 3-7-5, 3-8-5, 3-8-6</li> <li>Continuous information and training on the theme of compliance, OA 3-7-5, 3-18.3-1</li> <li>Purchaser training on sustainability and on the Supplier Code of Conduct, p. 111; OA 3-8-5, 3-8-6</li> <li>Supplier Code of Conduct is a fixed element of our supplier selection and evaluation process and integrated as binding into our electronic ordering systems and contracts throughout the Group through a special clause. To participate in bidding processes in our supplier management system, suppliers must bindingly confirm before submitting an offer that they acknowledge the Bayer Supplier Code of Conduct, p. 109, 220; OA 3-8-2</li> <li>Global Safety Day 2013, OA 3-6-2, 3-7-21, 3-11-2</li> <li>Occupational safety: ideas and activities, 132; OA 3-7-5, 3-8-6, 3-11-2</li> <li>Occupational safety: Bayer Safety Award for Contractors; OA 3-6-2</li> <li>Group-wide initiative on process &amp; plant safety, p. 130; OA 3-11-3</li> <li>Transportation safety regulation and platform, p. 131</li> <li>Participation in sector initiatives for suppliers (TfS, PSCI), p. 109, 110; OA 3-6-2, 3-8-3, 3-8-4, 3-8-6</li> </ul>	<ul style="list-style-type: none"> <li>A variety of training seminars on the main aspects of our Human Rights Position were offered in 80 countries and were attended by approximately 90 employees, p. 101</li> <li>Purchaser training sessions with 243 participants in 2013, OA 3-8-5</li> <li>Supplier Days in China and India including human rights sessions, OA 3-6-2 (p. 89), 3-8-6</li> <li>First capability building conference for suppliers with PSCI, focusing on occupational safety, in Rome, Italy, OA 3-6-2 (p. 89)</li> <li>Employee union representatives elected at most of our sites in China, representing some 10,000 employees (90%), OA 3-7-12</li> <li>In 2013 we stepped up our collaboration with the union in China and extended information rights of employee representatives, OA 3-7-12 (p. 103)</li> <li>By the end of 2013, employees in 78 countries had completed more than 54,000 training sessions particularly in the areas of anti-corruption, introduction to compliance and conflicts of interest, OA 3-18.3-1</li> <li>Number of occupational injuries to Bayer employees that led to lost days fell again (to 0.47 RIR), p. 128f.</li> </ul>

## UNGC PRINCIPLE 2: EXCLUSION OF HUMAN RIGHTS VIOLATIONS

Systems	Measures 2013	Achievements 2013
<ul style="list-style-type: none"> <li>Human Rights Position, p. 101, 221; OA 3-6-4, 3-7-8</li> <li>Corporate Compliance Policy, p. 101, 191, 216, 221; OA 3-6-4</li> <li>Supplier Code of Conduct, p. 109, 220; OA 3-6-4, 3-7-5, 3-8-2</li> <li>Procurement/Supplier management, p. 109-112, 220</li> <li>In case of acquisitions we examine prior to the transaction whether the applicable environmental and occupational safety regulations and fundamental employee rights are complied with at the production sites in question, p. 132</li> </ul>	<ul style="list-style-type: none"> <li>The information and training program on human rights is part of mandatory human rights training sessions or obligatory compliance trainings at many of our sites, p. 52, 101, 109, 111; OA 3-7-5, 3-8-5, 3-8-6</li> <li>Supplier Code of Conduct is a fixed element of our supplier selection and evaluation process, p. 109, 220; OA 3-8-2</li> <li>Supplier assessments and audits, p. 109, 220; OA 3-8-3, 3-8-4</li> <li>Participation in sector initiatives for suppliers (TfS, PSCI), p. 109, 110; OA 3-6-2, 3-8-3, 3-8-4, 3-8-6</li> </ul>	<ul style="list-style-type: none"> <li>In 2013, 278 supplier assessments were conducted via the EcoVadis platform, a further 107 assessments were carried out within the TfS Initiative. In addition, our Indian organization conducted 243 country-specific assessments, OA 3-8-4</li> </ul>

## UNGC PRINCIPLE 3: OBSERVANCE OF THE RIGHT TO FREEDOM OF ASSOCIATION

Systems	Measures 2013	Achievements 2013
<ul style="list-style-type: none"> <li>Collective agreements such as sector or in-house agreements, p. 96, 103; OA 3-7-12</li> <li>Bayer European Forum, OA 3-6-2 (p. 90)</li> <li>Human Rights Position, p. 101, 221; OA 3-6-4, 3-7-8</li> <li>Supplier Code of Conduct, p. 109, 220; OA 3-6-4, 3-7-5, 3-8-2</li> </ul>	<ul style="list-style-type: none"> <li>Constitution of more union representation at Bayer China, p. 103; OA 3-7-12</li> <li>The information and training program on human rights is part of mandatory human rights training sessions or obligatory compliance trainings at many of our sites, p. 52, 101, 109, 111; OA 3-7-5, 3-8-5, 3-8-6</li> <li>Supplier Code of Conduct is a fixed element of our supplier selection and evaluation process, p. 109, 220; OA 3-8-2</li> <li>Supplier assessments and audits, p. 109, 220; OA 3-8-3, 3-8-4</li> </ul>	<ul style="list-style-type: none"> <li>Employee union representatives elected at most of our sites in China, representing some 10,000 employees (90%), OA 3-7-12</li> <li>Training sessions on the Code of Conduct, assessments and audits, p. 111; OA 3-8-5, 3-8-6</li> <li>In 2013, 278 supplier assessments were conducted via the EcoVadis platform, a further 107 assessments were carried out within the TfS Initiative. In addition, our Indian organization conducted 243 country-specific assessments, OA 3-8-4</li> </ul>

## UNGC PRINCIPLE 4: ABOLITION OF ALL FORMS OF FORCED LABOR

Systems	Measures 2013	Achievements 2013
<ul style="list-style-type: none"> <li>Human Rights Position, p. 101, 221; OA 3-6-4, 3-7-8</li> <li>Corporate Compliance organization, p. 101, 191-193</li> <li>Supplier Code of Conduct, p. 109, 220; OA 3-6-4, 3-7-5, 3-8-2</li> <li>Procurement/Supplier management, p. 109-112, 220</li> </ul>	<ul style="list-style-type: none"> <li>Purchaser training on sustainability and on the Supplier Code of Conduct, p. 111; OA 3-8-5, 3-8-6</li> <li>Supplier Code of Conduct is a fixed element of our supplier selection and evaluation process, p. 109, 220; OA 3-8-2</li> <li>Supplier assessment and audits, p. 109, 220; OA 3-8-3, 3-8-4</li> </ul>	<ul style="list-style-type: none"> <li>Training sessions on the Code of Conduct, assessments and audits, p. 111; OA 3-8-5, 3-8-6</li> <li>In 2013, 278 supplier assessments were conducted via the EcoVadis platform, a further 107 assessments were carried out within the TfS Initiative. In addition, our Indian organization conducted 243 country-specific assessments, OA 3-8-4</li> </ul>

## UNGC PRINCIPLE 5: ABOLITION OF CHILD LABOR

Systems	Measures 2013	Achievements 2013
<ul style="list-style-type: none"> <li>Human Rights Position, p. 101, 221; OA 3-6-4, 3-7-8</li> <li>Corporate Compliance organization, p. 101, 191-193</li> <li>Procurement/Supplier management, p. 109-112, 220</li> <li>Supplier Code of Conduct, p. 109, 220; OA 3-6-4, 3-7-5, 3-8-2</li> <li>Bayer Child Care Program, p. 112; OA 3-8-7</li> </ul>	<ul style="list-style-type: none"> <li>In-depth information: <a href="http://www.childcareprogram.bayercropscience.com">http://www.childcareprogram.bayercropscience.com</a></li> <li>Learning for Life initiative (India) for improved personal circumstances (in cooperation with NGO), OA 3-8-7</li> <li>Supplier Code of Conduct is a fixed element of our supplier selection and evaluation process, p. 109, 220; OA 3-8-2</li> <li>Supplier assessment and audits, p. 109, 220; OA 3-8-3, 3-8-4</li> <li>Participation in sector initiatives for suppliers (TfS, PSCI), p. 109, 110; OA 3-6-2, 3-8-3, 3-8-4, 3-8-6</li> </ul>	<ul style="list-style-type: none"> <li>Brochures on Bayer CropScience Child Care Program</li> <li>Renewed confirmation by audits that there is no systematic child labor in the supply chain for cotton seeds in India, p. 112; OA 3-8-7</li> <li>Bayer Child Care Program expanded to seed production for vegetables and hybrid rice, p. 112, OA 3-8-7</li> <li>Learning for Life initiative (India): more than 5,500 children and young people benefited from this initiative between 2005 and 2013, OA 3-8-7</li> </ul>

## UNGC PRINCIPLE 6: ELIMINATION OF DISCRIMINATION

Systems	Measures 2013	Achievements 2013
<ul style="list-style-type: none"> <li>Human Rights Position, p. 101, 221; OA 3-6-4, 3-7-8</li> <li>Bayer diversity strategy, p. 49, 104, 221; OA 3-7-14, 3-7-17</li> <li>Employment of disabled people, p. 103; OA 3-7-13</li> <li>Support for families, p. 105; OA 3-7-18</li> <li>Corporate Compliance Policy, p. 101, 191, 216, 221; OA 3-6-4</li> <li>Supplier Code of Conduct, p. 109, 220; OA 3-6-4, 3-7-5, 3-8-2</li> </ul>	<ul style="list-style-type: none"> <li>Target: increase the proportion of women in senior management positions to 30%, p. 104; OA 3-1.3-1</li> <li>Workshops to raise managers' awareness of the benefits of greater diversity, OA 3-7-14</li> <li>Online tool "GlobeSmart" gives employees access to information about etiquette and communication behaviors in more than 60 countries</li> <li>New target: Increase in the proportion of Senior managers who do not come from the E.U., the United States or Canada OA 3-1.3-1 (p. 52)</li> </ul>	<ul style="list-style-type: none"> <li>Women accounted for 25 percent of senior management worldwide in 2013, p. 104</li> <li>Award for integration of disabled employees in the UK, OA 3-7-13</li> <li>New seminar series "Leading across Cultures and Genders", OA 3-7-14</li> </ul>

## UNGC PRINCIPLE 7: PRECAUTIONARY ENVIRONMENTAL PROTECTION

Systems	Measures 2013	Achievements 2013
<ul style="list-style-type: none"> <li>Bayer Sustainable Development Policy, p. 132; OA 3-6-4</li> <li>HSEQ management systems, p. 95, 128-132, 147, 217</li> <li>Environmental risk management, p. 119f., 217f.; OA 3-10-1</li> <li>Responsible Care® Initiative, p. 96, 120, 132, 147</li> <li>Global Product Strategy, p. 121, 127</li> <li>Supplier Code of Conduct, p. 109, 220; OA 3-6-4, 3-7-5, 3-8-2</li> <li>New Group-Position on biodiversity, p. 142f.; OA 3-12.5-1</li> <li>"BayRisk" instruction, p. 216</li> <li>Respect of precautionary principle, p. 119; OA 3-10-1</li> <li>Implementation of the Globally Harmonized System (GHS) for the classification and labeling of chemicals, p. 121</li> </ul>	<ul style="list-style-type: none"> <li>Regular HSE(Q) audits, p. 131, 147, 217</li> <li>Analysis of pharmaceuticals in the environment, p. 124; OA 3-10-BHC-2</li> <li>Training in responsible use of pesticides, p. 125; OA 3-10-BCS-2</li> <li>Launch of an extensive bee monitoring program that is being implemented in five European countries, OA 3-10-BCS-3</li> <li>Biodiversity projects, OA 3-12.5-1</li> <li>A new biodiversity policy has been in place at HealthCare's sites since June 1, 2013, OA 3-12.5-1</li> <li>Group-wide initiative on process &amp; plant safety, p. 130; OA 3-11-3</li> <li>REACH regulation: Group-wide and subgroup-specific directives, p. 120f., 127</li> <li>New target: Completion of assessment of hazard potential for substances used in quantities exceeding one metric ton p.a., OA 3-1.3-1(p. 52)</li> </ul>	<ul style="list-style-type: none"> <li>Supplier trainings on responsible use of pesticides reached 600 farmers in India and some 20,000 farmers trained in the Andean region and approximately 3,700 farmers in the Central America and Caribbean region (excluding Mexico). Also safety training measures in numerous African countries in 2013, OA 3-10-BCS-2</li> <li>Continuation of inputs to the "GPS Safety Summaries" (online portal of International Council of Chemical Associations, ICCA), p. 121</li> <li>CEO Safety Award by Bayer MaterialScience, OA 3-11-2</li> </ul>

## UNGC PRINCIPLE 8: SPECIFIC COMMITMENT TO ENVIRONMENTAL PROTECTION

Systems	Measures 2013	Achievements 2013
<ul style="list-style-type: none"> <li>Bayer Sustainable Development Policy, p. 132; OA 3-6-4</li> <li>Program of new targets, p. 49-50; OA 3-1.3-1(p. 51f.)</li> <li>Targets 2015, OA 3-1.3-1(p. 53)</li> <li>Responsible Care® Initiative, p. 96, 120, 132, 147</li> <li>Bayer Climate Program, p. 133f.; OA 3-12.2-1, -2, -3</li> <li>New GHG emissions reduction target, p. 134</li> <li>UNGC CEO Water Mandate, p. 138</li> <li>Bayer Water Position, p. 138</li> <li>HSEQ management systems, p. 95, 128-132, 147, 217</li> <li>UNGC Caring for Climate Initiative, OA 3-6-2</li> <li>Evaluation of environmental effects for investment projects exceeding €10 million, p. 132</li> </ul>	<ul style="list-style-type: none"> <li>Participation in CDP Water, p. 138; OA 3-12.3-1</li> <li>HSEQ audits, p. 131, 147, 217</li> <li>New reduction target for specific CO<sub>2</sub> emissions of the Group's global fleet implemented in 2013 as part of the Bayer EcoFleet initiative, OA 3-12.2-3 (p. 135)</li> <li>New Resource Efficiency Targets, OA 3-1.3-1(p. 51f.)</li> </ul>	<ul style="list-style-type: none"> <li>360,000 tons p.a., OA 3-12.2-1</li> <li>Reduction of energy consumption, p. 132f.</li> <li>Reduction in GHG emissions 2005-2013 by &lt;20%, p. 133f.</li> <li>Reduction in emissions of ODS and VOC, p. 137</li> <li>Achievements with respect to the CEO Water Mandate, p. 138</li> <li>Reduction of water consumption, p. 139</li> <li>Reduction of emissions into water, p. 140</li> <li>Reduction of waste by 11%, p. 141</li> </ul>

## UNGC PRINCIPLE 9: DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES

Systems	Measures 2013	Achievements 2013
<ul style="list-style-type: none"> <li>Core business of Bayer MaterialScience and Bayer Technology Services, p. 49, 67, 83, 84, 176, OA 3-1.3-1, OA 3-12.2-1, OA 3-12.2-4, OA 3-12.4-2</li> <li>New Target Bayer MaterialScience: Improvement of production process technology to achieve better energy efficiency, OA 3-1.3-1</li> </ul>	<ul style="list-style-type: none"> <li>Oxygen depolarized cathode technology in chlorine production cuts electricity requirements, for example, by 30% compared with the standard process, OA 3-12.2-1</li> <li>Gas phase technology in polyurethane production reduces consumption of energy by 60% and of solvents by 80%, OA 3-12.2-1</li> <li>Use of waste material and CO<sub>2</sub> from utilities as alternative raw material for the production of high-quality plastics, OA 3-12.2-1, p. 83</li> <li>Lightweight solutions for mobility industries, OA 3-12.2-2, p. 83</li> <li>Waste incineration plants operated by Currenta, OA 3-12.2-4</li> <li>Currenta process for the thermal treatment of composite materials, OA 3-12.4-2</li> </ul>	<ul style="list-style-type: none"> <li>Oxygen depolarized cathode technology: start of global marketing in 2013, OA 3-12.2-1</li> <li>Gas phase technology to be used at a plant currently being built at the Dormagen site, OA 3-12.2-1</li> <li>EcoCommercial Building Program: erected centers of excellence with over 80 network partners, OA 3-12.2-2</li> <li>STRUCTese™: recertification of Bayer locations to ISO 50001; external marketing of the system, OA 3-12.2-1;</li> <li>Waste incineration plants: Compared to using fossil fuels, hazardous waste incineration reduces emissions by 200,000 metric tons of CO<sub>2</sub> per year, OA 3-12.2-4</li> <li>Currenta process for the thermal treatment of composite materials releases usable precious metals with a recovery rate of up to 99%, OA 3-12.4-2</li> </ul>

## UNGC PRINCIPLE 10: MEASURES TO FIGHT CORRUPTION

Systems	Measures 2013	Achievements 2013
<ul style="list-style-type: none"> <li>Corporate Compliance Policy and organization, p. 101, 191-193, 216, 221</li> <li>Compliance Charta, p. 192</li> <li>Compliance management system ICM@ Bayer, OA 3-18.3-1</li> <li>Anonymous compliance hotline, p. 193</li> <li>Directive on the Management of Compliance Incidents, p. 193</li> <li>Code of Conduct for Responsible Lobbying, OA 3-6-2</li> <li>Responsible Marketing &amp; Sales Policy, p. 117; OA 3-6-4</li> <li>Directive on Integrity &amp; Responsibility in Communications and Marketing, p. 117</li> <li>Adherence to "Ethical Criteria for Medicinal Drug Promotion" of WHO, p. 117</li> <li>Code of the "Voluntary Self-Monitoring by the Pharmaceutical Industry" (FSA) association, p. 117</li> <li>Supplier Code of Conduct, p. 109, 220; OA 3-6-4, 3-7-5, 3-8-2</li> <li>Program of new targets, p. 49-50; OA 3-1.3-1 (p. 52)</li> <li>Targets 2015, OA 3-1.3-1 (p. 53)</li> <li>Compliance Charter, p. 192</li> </ul>	<ul style="list-style-type: none"> <li>Compliance organization implementing international standards, p. 191</li> <li>Bayer Corporate Auditing regularly evaluates the observance of the Corporate Compliance Policy and Program through special audits, p. 191f.</li> <li>New web-based training in ten languages on the prevention of corruption started in Jan. 2013, OA 3-18.3-1</li> <li>Continuous information and training on the theme of compliance, OA 3-7-5, 3-18.3-1</li> <li>The issue of corporate compliance is a permanent part of the performance evaluations of all managerial employees, p. 191</li> <li>Compensation Report/Performance-related components: Target attainment also takes into account qualitative objectives including safety, compliance and sustainability aspects, p. 195</li> <li>Supplier assessments and audits, p. 109, 220; OA 3-8-3, 3-8-4</li> <li>Entry in lobby register of EU, p. 92</li> <li>Two new compliance targets, p. 49-50; OA 3-1.3-1 (p. 52)</li> <li>ICM@Bayer (integrated compliance management system) initiated, p. 192</li> </ul>	<ul style="list-style-type: none"> <li>250 audits were performed by Bayer Corporate Auditing in 2013 on the basis of a risk-oriented audit planning process that takes into account corruption risks among others. These included 52 compliance audits, which were both of a preventive and incident-based nature, p. 191</li> <li>By the end of 2013, employees in 78 countries had completed more than 54,000 training sessions particularly in the areas of anti-corruption, introduction to compliance and conflicts of interest, OA 3-18.3-1</li> <li>Web-based training "Corporate Compliance Policy" reached 2,800 new employees in 2013, OA 3-18.3-1</li> <li>Compliance division strengthened in 2013: now a central Compliance Officer in 35 countries, p. 191</li> <li>Internal compliance communication campaign continued in 2013, OA 3-18.3-1</li> <li>"Responsible Marketing &amp; Sales" training, p. 117; OA 3-6-4, 3-9-BCS-1, 3-9-BMS-1</li> <li>Purchaser training sessions with 243 participants in 2013, OA 3-8-5</li> <li>In 2013, 278 supplier assessments were conducted via the EcoVadis platform, a further 107 assessments were carried out within the "TFS Initiative." In addition, our Indian organization conducted 243 country-specific assessments, OA 3-8-4</li> <li>Compliance Charter, p. 192</li> </ul>

Blueprint Criteria	Reference pages and online annexes referring to "Bayer Annual Report 2013 – Augmented Version" Additional comments and links added
<b>TAKING ACTION IN SUPPORT OF BROADER UN GOALS AND ISSUES</b>	
<b>CORE BUSINESS CONTRIBUTIONS TO UN GOALS AND ISSUES</b>	
15. Align core business strategy with one or more relevant UN goals/issues.	Communication on Progress 2013: "Bayer Annual Report 2013 – Augmented Version"
16. Develop relevant products and services or design business models that contribute to UN goals/issues.	p. 62-67, 84f. , 101-104, 109-113, 133-137, 150, 217f.
17. Adopt and modify operating procedures to maximize contribution to UN goals/issues	p. 81f. , 93, 108-113, 133/34, 191f.
<b>STRATEGIC SOCIAL INVESTMENTS AND PHILANTHROPY</b>	
18. Pursue social investments and philanthropic contributions that tie in with the core competences or operating context of the company as an integrated part of its sustainability strategy.	p. 148-150; OA 3-3-BHC-1 <a href="http://www.bayer-foundations.com/en/homepage.aspx">http://www.bayer-foundations.com/en/homepage.aspx</a>
19. Coordinate efforts with other organizations and initiatives to amplify – and not negate or unnecessarily duplicate – the efforts of other contributors.	OA 3-3-BHC-1; OA 3-15.5-1, 3-15.5-2, 3-15.5-3
20. Take responsibility for the intentional and unintentional effects of funding and have due regard for local customs, traditions, religions, and priorities of pertinent individuals and groups.	OA 3-3-BHC-1
<b>ADVOCACY AND PUBLIC POLICY ENGAGEMENT</b>	
21. Publicly advocate the importance of action in relation to one or more UN goals/issues.	OA 3-6-2
22. Commit company leaders to participate in key summits, conferences, and other important public policy interactions in relation to one or more UN goals/issues.	<p>OA 3-6-2</p> <p>With a number of initiatives and partnerships Bayer supports UN goals and topics like the MDGs, human rights, climate protection, food supply, the fight against corruption and maintaining biodiversity.</p> <p>In the past Bayer CEOs were involved in numerous activities with public recognition to promote UN goals and issues. Bayer is a founding member of the UN Global Compact and a founding member of UN Global Compact LEAD initiative. Bayer executives have participated in key summits, conferences, and other important public policy interactions in relation to one or more UN goals/issues, e.g. Global Compact Leaders' Summit, New York (USA), Sept. 2013 or Stockholm (Sweden) World Water Week, September 4, 2013</p> <p>See also The CEO Water Mandate Twelfth Working Conference Event Summaries</p>
<b>PARTNERSHIPS AND COLLECTIVE ACTION</b>	
23. Develop and implement partnership projects with public or private organizations (UN entities, government, NGOs, or other groups) on core business, social investments and/or advocacy.	OA 3-3-BHC-1; OA 3-15.5-1, 3-15.5-2, 3-15.5-3 3-6-2
24. Join industry peers, UN entities and/or other stakeholders in initiatives that contribute to solving common challenges and dilemmas at the global and/or local levels with an emphasis on initiatives that extend the company's positive impact on its value chain.	See criteria 19.
<b>ENGAGING WITH THE UN GLOBAL COMPACT</b>	
<b>LOCAL NETWORKS AND SUBSIDIARY ENGAGEMENT</b>	
25. Contribute to the building and operating of at least one UN Global Compact Local Network and help elevate performance of other companies through training, mentoring, COP peer review, etc.	Bayer is an active participant in the German Global Compact Network.
26. Encourage subsidiaries to engage with UN Global Compact Local Networks and to participate actively in events and activities.	We have encouraged our regional sustainable development coordinators to expand their local sustainability network by collaborating with local UNGC networks e.g. in Asia and Latin/South America.
27. Publish sustainability information related to each individual subsidiary separately or reference it explicitly in the Communication on Progress of Corporate Headquarters.	Communication on Progress 2013: "Bayer Annual Report 2013 – Augmented Version"; individual websites of our subgroups: Bayer HealthCare, Bayer CropScience and Bayer MaterialScience and country websites

Blueprint Criteria	Reference pages and online annexes referring to "Bayer Annual Report 2013 – Augmented Version" Additional comments and links added
<b>GLOBAL AND LOCAL WORKING GROUPS</b>	
28. Participate in relevant global or local working groups and share experiences, networks, tools and good practices with other UN Global Compact participants.	Bayer is an active member of the UN Global Compact and UN Global Compact LEAD on a global as well as on a national level. Our representatives contribute to initiatives, working groups, webinars and symposia.  Bayer also supports the UNGC initiatives "Caring for Climate" and "CEO Water Mandate." See also p. 96, OA: 3-12.3-1 (p. 138); OA 3-6-2. See also 25.  See also The CEO Water Mandate Twelfth Working Conference Event Summaries
29. Take active part in defining scope and objectives of new working groups when relevant.	See criteria 28.
<b>ISSUE-BASED AND SECTOR INITIATIVES</b>	
30. Join and help advance one or more existing UN Global Compact initiatives, e.g. Caring for Climate, CEO Water Mandate, Women's Empowerment Principles, and Global Business Initiative on Human Rights.	See criteria 28.
31. Spearhead need-driven development of new issue-based or sector initiatives within the UN Global Compact and the wider United Nations.	We have e.g. contributed actively to the development of above mentioned working groups and initiatives (28), we i.a. are currently involved in the CEO Water Mandate's working group to develop Corporate Water Disclosure Guidelines. OA: 3-12.3-1
<b>PROMOTION AND SUPPORT OF THE UN GLOBAL COMPACT</b>	
32. Advocate the UN Global Compact to business partners, peers and the general public.	We advocate the UNGC to suppliers, customers, other stakeholders and the general public via our website, our annual report. We also document and promote UNGC in all company presentations about sustainability. p. 109-113; Bayer Annual Report 2013 (printed version); Communication on Progress 2013 "Bayer Annual Report 2013 – Augmented Version;" active participation in German Global Compact Network; support of UNGC initiatives "Caring for Climate" and "CEO Water Mandate."
33. Encourage suppliers and other business partners to join the UN Global Compact, and take on mentoring role on issues related to the initiative.	Bayer's Supplier Code of Conduct explicitly takes UNGC into account. p. 109
34. Participate in activities to further develop and strengthen the UN Global Compact.	See 26 to 31 above; Communication on Progress 2013: "Bayer Annual Report 2013 – Augmented Version"
<b>THE CROSS-CUTTING COMPONENTS</b>	
<b>CEO COMMITMENT AND LEADERSHIP</b>	
35. CEO publicly delivers explicit statements and demonstrates personal leadership on sustainability and commitment to the UN Global Compact.	p. 6, also news releases, and e.g. Business Roundtable Sustainability Report 2013: <a href="http://www.businessroundtable.org/resources/sustainability-report">http://www.businessroundtable.org/resources/sustainability-report</a> etc.
36. CEO promotes initiatives to enhance sustainability of the company's sector and leads development of industry standards.	Responsible Care™: p. 96, 120, 131, 132, 147 Caring for Climate: p. 93, CEO Water Mandate: p. 138 Sector initiatives for suppliers (TfS, PSCI): 109, 110; OA-3-6-2, 3-8-3, 3-8-4, 3-8-6
37. CEO leads executive management team in development of corporate sustainability strategy, defining goals and overseeing implementation.	See criteria 8 to 10.
38. Make sustainability criteria and UN Global Compact principles part of goals and incentive schemes for CEO and executive management team.	See criteria 8 to 10.
<b>BOARD ADOPTION AND OVERSIGHT</b>	
39. Board of Directors (or equivalent) assumes responsibility and oversight for long term corporate sustainability strategy and performance	See criteria 8 to 10, p. 94f.
40. Board establishes, where permissible, a committee or assigns an individual Board member with responsibility for corporate sustainability.	See criteria 8 to 10. p. 94f. Board member responsible for Innovation, Technology and Sustainability: function as Chief Sustainability Officer of the Bayer Group
41. Board (or committee), where permissible, approves formal reporting on corporate sustainability (Communication on Progress).	The whole board approved formal reporting on corporate sustainability in the "Bayer Annual Report 2013 – Augmented Version"



Blueprint Criteria	Reference pages and online annexes referring to "Bayer Annual Report 2013 – Augmented Version" Additional comments and links added
<b>STAKEHOLDER ENGAGEMENT</b>	
42. Publicly recognize responsibility for the company's impacts on internal and external stakeholders	p. 48, 59, 84ff. This is the basis of our sustainability commitment.
43. Define sustainability strategies, goals and policies in consultation with key stakeholders.	p. 48, 49 ff., 59, OA 3-6-1, 3-6-2
44. Consult stakeholders in dealing with implementation dilemmas and challenges and invite them to take active part in reviewing performance.	p. 59, 84, OA 3-6-1, 3-6-2
45. Establish channels to engage with employees and other stakeholders to hear their ideas and address their concerns, and protect "whistleblowers".	OA 3-6-2; p. 191-193
<b>TRANSPARENCY AND DISCLOSURE</b>	
46. Share sustainability information with all interested parties and respond to stakeholder inquiries and concerns.	Bayer Annual Report 2013 (printed version); Communication on Progress 2013: "Bayer Annual Report 2013 – Augmented Version", particularly OA 3-6-2; sustainability website; social media
47. Ensure that Communication on Progress covers all aspects of the Leadership Blueprint and utilize, where appropriate, the Global Reporting Initiative framework.	Communication on Progress 2013: "Bayer Annual Report 2013 – Augmented Version" Table on p. 342/3: Index of the Global Reporting Initiative (GRI) and the 10 UN Global Compact Principles
48. Integrate Communication on Progress into annual financial report or publish them together.	COP published as integrated report for the first time (reporting period 2013). Communication on Progress 2013: "Bayer Annual Report 2013 – Augmented Version"
49. Secure external verification of Communication on Progress or seek other methods for legitimization by external stakeholders.	p. 331-335



Bayer is a global enterprise with core competencies in the fields of health care, agriculture and high-tech polymer materials.

As an innovation company, we set trends in research-intensive areas. Our products and services are designed to benefit people and improve their quality of life. At the same time we aim to create value through innovation, growth and high earning power.

We are committed to the principles of sustainable development and to our social and ethical responsibilities as a corporate citizen.

#### Cover picture

Bayer and tumor centers worldwide are searching for new treatment options for cancer patients. Our cover picture shows Professor Mark Schrader, Medical Director of the Department of Urology at Ulm University Hospital, and assistant physician Kathi Adamczyk examining a CT scan for diagnosing bone metastases in a patient with prostate cancer.