

Progress report on the implementation of the principles of the UN Global Compact

Since 2000 Bayer has supported the UN Global Compact in its goals of raising standards in the fields of human rights, labor rights and environmental protection and of fighting corruption. The following table shows the activities and management systems at Bayer that support the 10 principles of the UN Global Compact and the results which were achieved in the period under review. Information on the Global Compact can be found at www.unglobalcompact.org

	Systems	Measures 2008	Achievements 2008
Principle 1: Support of human rights	<ul style="list-style-type: none"> ■ Human Rights Position (p. 75) ■ Procurement Community Policy (p. 21) ■ Guide: "Requirements for our suppliers" (p. 76) ■ Corporate Compliance System (p. 59) 	<ul style="list-style-type: none"> ■ Strategy development and expansion of our global commitment in the field of health care provision (p. 36–41) ■ Distribution of Bayer brochure on human rights (p. 75) ■ Development of a code of conduct for suppliers (p. 21) 	
Principle 2: Exclusion of human rights violations	<ul style="list-style-type: none"> ■ Corporate Compliance System (p. 19) ■ Procurement management (p. 21) ■ Human Resources Governance Code in China (p. 76) 	<ul style="list-style-type: none"> ■ Risk analysis in Procurement (p. 76) ■ Dialogue with politicians and NGOs on implementing employee rights in China (p. 75/76) 	
Principle 3: Observance of the right to freedom of association	<ul style="list-style-type: none"> ■ Group works councils (p. 65) ■ Bayer European Forum (p. 65) ■ Human Rights Position (p. 75) 	<ul style="list-style-type: none"> ■ Expansion of Bayer European Forum to include Eastern European countries (p. 65) ■ Appointment of employee representatives in China (p. 76) 	
Principle 4: Abolition of all forms of forced labor	<ul style="list-style-type: none"> ■ Human Rights Position (p. 75) ■ Corporate Compliance System (p. 59) ■ Procurement management (p. 21) 	<ul style="list-style-type: none"> ■ No measures necessary 	
Principle 5: Abolition of child labor	<ul style="list-style-type: none"> ■ Human Rights Position (p. 75) ■ Corporate Compliance System (p. 59) ■ Procurement management (p. 21) 	<ul style="list-style-type: none"> ■ Expansion of program system for countering child labor in India (p. 76/77) 	<ul style="list-style-type: none"> ■ Renewed confirmation by audits that there is no systematic child labor in the supply chain for cotton seeds in India (p. 77)
Principle 6: Elimination of discrimination	<ul style="list-style-type: none"> ■ Human Rights Position (p. 75) ■ Social Charter (Sustainable Development Report 2006, p. 51) ■ Bayer Diversity Policy (Sustainable Development Report 2007, p. 62) ■ Bayer Diversity Councils (p. 66) ■ Corporate Compliance Policy (p. 59) 	<ul style="list-style-type: none"> ■ Adoption of the Declaration of Diversity at Bayer (p. 66) ■ e.g. the Women's Leadership Initiative at Bayer HealthCare (launch 2009, p. 67) ■ Diversity management in the United States, Sandwich Generation Network Group and mentoring programs (p. 66) 	<ul style="list-style-type: none"> ■ Continued increase in percentage of women in senior management positions (p. 67)
Principle 7: Precautionary environmental protection	<ul style="list-style-type: none"> ■ HSEQ management systems (p. 19, 51/52) ■ Group regulation: "Ecological Assessment of New Investments" (p. 90) 	<ul style="list-style-type: none"> ■ e.g. regular HSE audits (p. 51) ■ Training in methods of sustainable agriculture worldwide (p. 46/47) 	<ul style="list-style-type: none"> ■ Successful pre-registration of more than 1,000 substances under REACH (p. 22, 93)
Principle 8: Specific commitment to environmental protection	<ul style="list-style-type: none"> ■ Group Sustainability Program (p. 104) ■ Bayer Climate Program (p. 30–35) ■ CEO Water Mandate of the UN Global Compact (p. 44/45) ■ Statement of the Caring for Climate initiative of the UN Global Compact (p. 26) 	<ul style="list-style-type: none"> ■ e.g. application of the Bayer Climate Check (p. 33) ■ First Bayer Climate Award (p. 30/31) ■ Introduction of the Waste Water Recycling Tool (p. 45) ■ Investigations into pharmaceuticals in the environment (p. 46, 97/98) ■ Development of the Green Bayer Data Center Program (p. 35) 	<ul style="list-style-type: none"> ■ Reduction in total greenhouse gas emissions of 7.1 % (p. 84) ■ Reduction in emissions of carbon monoxide, nitrogen oxides, sulfur oxides and particulates (p. 88) ■ Reduction in phosphorus discharges into surface water of 21 % (p. 88)
Principle 9: Diffusion of environmentally friendly and technologies	<ul style="list-style-type: none"> ■ Core business of BTS, BMS and CURRENTA (p. 16/17) 	<ul style="list-style-type: none"> ■ Development of innovative wastewater treatment processes (p. 45/46) ■ Construction of a production facility for manufacturing carbon nanotubes (p. 57) 	<ul style="list-style-type: none"> ■ Completion of the world's largest hydrochloric acid recycling plant in Shanghai, China (p. 33) ■ Start-up of an energy-efficient production facility for MDI (p. 33) ■ Potential energy savings of €1 million through special CURRENTA employee campaign (p. 35)
Principle 10: Measures to fight corruption	<ul style="list-style-type: none"> ■ Corporate Compliance Policy (p. 59) ■ Code of conduct for responsible lobbying (p. 60) ■ Code of the "Voluntary Self-Monitoring by the Pharmaceutical Industry" (FSA) association (p. 97) 	<ul style="list-style-type: none"> ■ Corporate compliance campaign and training sessions (p. 59) ■ Entry in lobby register of the E. U. (p. 60) 	<ul style="list-style-type: none"> ■ Increase in proportion of employees to undergo training in corporate compliance to 77 % (p. 59)