



Science For A Better Life



Bayer Annual Report 2015

UN Global Compact
Bayer Progress Report in
relation to the Blueprint
for Corporate Sustainability
Leadership Criteria
Summary

UN Global Compact



Bayer COP Reporting 2015 in relation to 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 2015 – Augmented Version": www.bayer.com/AR15). 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 10 UNGC principles at the Advanced Level with additional aspects.

The time period covered by this COP: January 1, 2015 to December 31, 2015.

The tables below provide an overview of our reporting in relation to the UN Global Compact Blueprint for Corporate Sustainability Leadership criteria and show where to find the information in our reporting. In our references to pages and online annexes (OA = online annex (numbered)) we refer to the "Bayer Annual Report 2015 – Augmented Version" in English. You can enter the online annex numbers in a search mask on any page of the online Annual Report to directly access the annexes.

Blueprint Criteria	Reference pages and online annexes referring to "Bayer Annual Report 2015 – Augmented Version" Additional comments and links added
IMPLEMENTING THE 10 PRINCIPLES IN STRATEGIES AND OPERATIONS	
Full Coverage and Integration across Principles	
1. Implement all the 10 UN Global Compact principles in strategies and operations.	A concise summary of the implementation of the 10 principles in strategies and operations can be found on page 3.
2. Design corporate sustainability strategy to leverage synergies between and among issue areas and to deal adequately with trade-offs.	52, 79-81
3. Ensure that different corporate functions coordinate closely to maximize performance and avoid unintended negative impacts.	55, 79f., 86, 92, 104, 123f, 126, 132, 188-190, 214f.
Robust Management Policies and Procedures	
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.	Opportunity and risk management: 187, 214-223 Compliance: 189f. Process, plant & transport safety: 55, 104, 123f., 126-128 Environment: 55, 104, 131f., 219 Product stewardship: 67, 112-123, 220f. Acquisitions: 131, 220 Stakeholders: OA 3-5-1 (1 st paragraph)
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: 51f., 55, 60f., , 67, 79f., 90, 95, 100, 108, 112f., 124, 138, 142; OA 3-2-1, OA 3-5-1 (paragraph Lobbying) Goals: 52-55, 80
6. Engage and educate employees through training activities, the development and adjustment of business processes, and sound incentive programs.	Training: 89f., 93, 95, 103, 109, 112, 120, 124, 128, 132, 138, 191.; OA 3-5-1 (1 st paragraph), 3-7.4-3, 3-8.2-2, 3-9.1-2, 3-9.2-1, 3-16.3-2; www.bayer.com/training Incentives: 90, 94, 193
7. Implement a system to track and measure performance based on standardized performance metrics.	30, 52-55,80, 131

Blueprint Criteria	Reference pages and online annexes referring to "Bayer Annual Report 2015 – Augmented Version" Additional comments and links added
Mainstreaming into Corporate Functions and Business Units	
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 the sustainability commitments and objectives of the company.	55, 80, 97, 112, 123f., 132, 144, 183f., 189f., 215
9. Align strategies, goals and incentive structures of all business units and subsidiaries with corporate sustainability strategy.	Strategies: 51f., 79-81 Goals: 52-55, 138 Incentives: 90, 94, 193
10. Assign responsibility for corporate sustainability implementation to an individual or group within each business unit and subsidiary.	80
Value Chain Implementation	
11. Analyze each segment of the value chain carefully, both upstream and downstream, when mapping risks, opportunities and impacts.	51f., 55-57, 80f., 95, 97, 100-104, 108, 112, 214-223; www.bayer.com/en/sustainability-management.aspx ; www.bayer.com/materiality ; www.bayer.com/key-areas-of-activity
12. Communicate policies and expectations to suppliers and other relevant business partners.	95, 100; OA 3-7.1-6
13. Implement monitoring and assurance mechanisms within company's sphere of influence.	95, 97, 100-103, 116, 128;
14. Undertake awareness-raising, training and other types of capability building with suppliers and other business partners.	103, 120

*** 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 10 principles of the Global Compact and the results which were achieved in 2015.

UNGC Principle 1: Support of human rights

Systems	Measures 2015	Achievements 2015
<ul style="list-style-type: none"> ▪ Human Rights Position (extended and updated in 2015), 80, 95 ▪ Corporate Compliance Policy, 80, 95, 189 ▪ Bayer Sustainable Development Policy, 80 ▪ New Corporate Policy on Fairness and Respect at Work, 90 ▪ Supplier Code of Conduct, 95, 100 ▪ Procedure for selecting and evaluating suppliers, 100-103 ▪ New Bayer Group Regulation "Safety at the Bayer Group", Group-wide directives on occupational health and safety, 124 ▪ HSEQ management, 80, 104, 123f. ▪ HSEQ Committee, 80 ▪ Non-financial Targets, 52-54 ▪ 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, 131 	<ul style="list-style-type: none"> ▪ The information and training program on human rights is part of mandatory human rights training sessions or obligatory compliance training at many of our sites, 95 ▪ Continuous information and training on the theme of compliance, 191 ▪ The Supplier Code of Conduct forms the general basis for our collaboration. It is integrated into electronic ordering systems and contracts throughout the Group, 100 ▪ Since 2015 relevant new and renewed supply contracts have contained special clauses that request suppliers to observe the sustainability requirements defined in the Code of Conduct and authorize Bayer to monitor this, 100 ▪ Participation in sector initiatives for suppliers (TfS, PSCI) for the development and introduction of a sustainability standard for our supply base by 2020, 100 ▪ HealthCare obligated newly selected suppliers (with annual procurement spend > €1 million) to undergo an EcoVadis sustainability assessment or an on-site audit after being awarded business, OA 3-7.1-5 ▪ Training on EcoVadis sustainability assessment process for HSEQ and procurement employees, additional training on sustainability and audits in the subgroups, 103 ▪ Behavioral Safety initiative launched and the program was rolled out in the subgroups in 2015, 125; OA 3-9.1-2 ▪ Further measures to improve the safety of the production facilities and process worldwide, 126f. ▪ Group-wide Transportation Safety Platform, 128 	<ul style="list-style-type: none"> ▪ We trained around 52% of our workforce in the main aspects of our Human Rights Position at various courses with a total duration of 201,000 hours, 95 ▪ 38,609 Bayer managers, or 96.6% of the global total, took a compliance training program, 191 ▪ 26,163 employees completed a new global web-based training program on conflicts of interest, OA 3-16.3-2 ▪ 162 HSEQ and procurement employees completed training courses dealing with the EcoVadis sustainability assessment process, 103 ▪ Supplier days organized by TfS in China and Brazil, PSCI held an education conference in India addressing sustainability requirements, OA 3-7.1-8 ▪ Newly selected HealthCare suppliers evaluated in 2015 satisfied sustainability requirements, OA 3-7.1-5 ▪ Number of occupational injuries to Bayer employees that led to lost days fell again (to 0.42 RIR), 124

UNGC Principle 2: Exclusion of human rights violations

Systems	Measures 2015	Achievements 2015
<ul style="list-style-type: none"> Human Rights Position (extended and updated in 2015), 80, 95 Corporate Compliance Policy, 80, 95, 189 Supplier Code of Conduct, 95, 100 Procedure for selecting and evaluating suppliers, 100-103 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, 131 	<ul style="list-style-type: none"> The information and training program on human rights is part of mandatory human rights training sessions or obligatory compliance training at many of our sites, 95 The Supplier Code of Conduct is a fixed element of our supplier selection and evaluation process, 100, 102 Supplier assessments and audits, 102f. Participation in sector initiatives for suppliers (TfS, PSCI) for the development and introduction of a sustainability standard for our supply base by 2020, 100 The issue of conflict materials has been included in our updated Supplier Code of Conduct, 103 	<ul style="list-style-type: none"> 521 supplier assessments were conducted via the EcoVadis platform, and a further 2,580 assessments were carried out within the scope of the TfS Initiative, OA 3-7.1-5 Bayer has questioned about 100 suppliers who could potentially be impacted by the conflict minerals issue. Nearly 60% of them already confirmed to us that they do not procure potential conflict minerals, OA 3-7.1-6

UNGC Principle 3: Observance of the right to freedom of association

Systems	Measures 2015	Achievements 2015
<ul style="list-style-type: none"> Human Rights Position (extended and updated in 2015), 80, 95 Supplier Code of Conduct, 95, 100 Collective agreements such as sector or in-house agreements, 96; OA 3-9.1-3 Bayer European Forum, 92; OA 3-9.1-3 	<ul style="list-style-type: none"> The information and training program on human rights is part of mandatory human rights training sessions or obligatory compliance training at many of our sites, 95 The Supplier Code of Conduct is a fixed element of our supplier selection and evaluation process, 100, 102 Supplier assessments and audits, 102f. 	<ul style="list-style-type: none"> The working conditions for around 53% of our employees worldwide were governed by collective or company agreements, 96 162 HSEQ and procurement employees completed training courses dealing with the EcoVadis sustainability assessment process, 103 521 supplier assessments were conducted via the EcoVadis platform, and a further 2,580 assessments were carried out within the scope of the TfS Initiative, OA 3-7.1-5

UNGC Principle 4: Abolition of all forms of forced labor

Systems	Measures 2015	Achievements 2015
<ul style="list-style-type: none"> Human Rights Position (extended and updated in 2015), 80, 95 Corporate Compliance organization, 189f. Supplier Code of Conduct, 95, 100 Procedure for selecting and evaluating suppliers, 100-103 	<ul style="list-style-type: none"> The information and training program on human rights is part of mandatory human rights training sessions or obligatory compliance training at many of our sites, 95 The Supplier Code of Conduct is a fixed element of our supplier selection and evaluation process, 100, 102 Supplier assessments and audits, 102f. 	<ul style="list-style-type: none"> 162 HSEQ and procurement employees completed training courses dealing with the EcoVadis sustainability assessment process, 103 521 supplier assessments were conducted via the EcoVadis platform, and a further 2,580 assessments were carried out within the scope of the TfS Initiative, OA 3-7.1-5

UNGC Principle 5: Abolition of child labor

Systems	Measures 2015	Achievements 2015
<ul style="list-style-type: none"> Human Rights Position (extended and updated in 2015), 80, 95 Corporate Compliance organization, 189f. Supplier Code of Conduct, 95, 100 Procedure for selecting and evaluating suppliers, 100-103 Bayer Child Care Program, 104; OA 3-8-6 	<ul style="list-style-type: none"> Systematic action to prevent child labor in the seed supply chain in India, Bangladesh and the Philippines through the Child Care Program. Further risk assessments were carried out in vegetable and rice seed production for Bayer in Thailand, China, Indonesia and Vietnam. Introduction of Child Care Program in these countries planned in 2016, 100 Learning for Life initiative (India) for improved personal circumstances (in cooperation with NGO), OA 3-7.1-4 Suppliers who can verify that they strictly observe Bayer's ban on child labor receive a bonus along with training in raising agricultural efficiency, OA 3-7.1-4 The Supplier Code of Conduct is a fixed element of our supplier selection and evaluation process, 100, 102 Supplier assessments and audits, 102f. Participation in sector initiatives for suppliers (TfS, PSCI) for the development and introduction of a sustainability standard for our supply base by 2020, 100 	<ul style="list-style-type: none"> Brochures and video about the Bayer CropScience Child Care Program (In-depth information about Bayer CropScience Child Care Program: http://www.childcareprogram.bayercropscience.com) Renewed confirmation by audits that there is no systematic child labor in the supply chain for cotton seed and vegetable seed in India, 101, OA 3-7.1-4 Learning for Life initiative (India): more than 6,100 children and young people benefited from this initiative between 2005 and the end of 2015, OA 3-7.1-4 521 supplier assessments were conducted via the EcoVadis platform, and a further 2,580 assessments were carried out within the scope of the TfS Initiative, OA 3-7.1-5

UNGC Principle 6: Elimination of discrimination

Systems	Measures 2015	Achievements 2015
<ul style="list-style-type: none"> ▪ Human Rights Position (extended and updated in 2015), 80, 95 ▪ New Corporate Policy on Fairness and Respect at Work, 90 ▪ Bayer diversity strategy (activities in this area are bundled in the program "Leading Across Cultures and Genders"), 52, 93 ▪ Employment of disabled people, 96 ▪ Flexible working opportunities; support for families, 91f. ▪ Corporate Compliance Policy, 80, 95, 189 ▪ Supplier Code of Conduct, 95, 100 	<ul style="list-style-type: none"> ▪ Group Target 2015: increase in the proportion of women in senior management positions to 30%, 93 ▪ Group Target 2015: increase in the proportion of senior managers from outside the E.U., the United States or Canada to 25%, 93 ▪ Program "Leading Across Cultures and Genders" with special training sessions for managers, 93 ▪ General Works Agreement on caring for close relatives came into effect at Bayer in Germany in April 2014, 92; OA 3-6.1-4 ▪ Online tool "GlobeSmart," which is available over the Bayer intranet, gives employees access to detailed information on how to conduct business effectively with people from around the world from different cultures and customs in more than 80 countries, 93 ▪ Founding member of the new "Chefsache" network, 93 	<ul style="list-style-type: none"> ▪ Women accounted for around 28% of senior management worldwide, 93 ▪ Proportion of senior managers from outside the E.U., the United States or Canada was 21% by the end of 2015, 93 ▪ 624 attendances at the training sessions "Leading Across Cultures and Genders," www.bayer.com/training

UNGC Principle 7: Precautionary environmental protection

Systems	Measures 2015	Achievements 2015
<ul style="list-style-type: none"> ▪ Group Target: assessment of the hazard potential of all substances > 1 metric ton p.a. by 2020, 54, 114 ▪ Bayer Sustainable Development Policy, 80 ▪ HSEQ management systems, 80, 104, 124, 131f. ▪ Respect for precautionary principle, 113 ▪ Responsible Care™ initiative, 113, 132 ▪ Bayer Emergency Response System (BayERS), 127 ▪ Global Product Strategy, OA 3-8-2 ▪ Implementation of the Globally Harmonized System (GHS) for the classification and labeling of chemicals, OA 3-8-1 ▪ Supplier Code of Conduct, 95, 100 ▪ Group Position on biodiversity, 142f ▪ Biological Diversity Policy of Bayer HealthCare, OA 3-10.6-1 ▪ "BayRisk" instruction, 216f. 	<ul style="list-style-type: none"> ▪ Regular HSE(Q) audits, 104, 124, 131f. ▪ Updated Bayer Group Regulation "Health, Safety, Environment and Quality (HSEQ) Audits," 128 ▪ Group-wide initiative on process & plant safety, 126f. ▪ REACH regulation: Group-wide and subgroup-specific directives, 112f; OA 3-8-1 ▪ Analysis of pharmaceuticals in the environment, 118; OA 3-8.1-2 ▪ Training in responsible use of crop protection products, 120 ▪ Global Bee Care network has been built up, 121 ▪ Biodiversity projects, OA 3-10.6-1 ▪ CropScience: internal regulation launched to ensure that the company only acquires and uses genetic resources in harmony with international and applicable national legislation, 142 	<ul style="list-style-type: none"> ▪ System audit on the content and completeness of our safety reviews conducted this year on a trial basis, 127 ▪ In India, Crop Science trained farmers in good agricultural practice, OA 3-8.2-2 ▪ More than 35,100 farmers in the Andean region were trained in proper and safe handling of our products, along with almost 30,400 farmers in the Central America and Caribbean region (excluding Mexico) and in numerous African countries, OA 3-8.2-2 ▪ Continuation of inputs to the "GPS Safety Summaries" (online information portal of International Council of Chemical Associations, ICCA), 123

UNGC Principle 8: Specific commitment to environmental protection

Systems	Measures 2015	Achievements 2015
<ul style="list-style-type: none"> ▪ Bayer Sustainable Development Policy, 80 ▪ HSEQ management systems, 80, 104, 124, 131f. ▪ Target: GHG emissions reduction and energy efficiency improvement, 54 ▪ Responsible Care™ initiative, 113, 132 ▪ Contribution to climate protection in three areas, 134 ▪ UNGC CEO Water Mandate, 138 ▪ Bayer Water Position, 138 ▪ UNGC Caring for Climate initiative, OA 3-5-1 ▪ Voluntary ecological assessment for capital expenditure projects exceeding €10 million, 131 	<ul style="list-style-type: none"> ▪ Energy Efficiency Projects resulting from STRUCTese™ (Structured Efficiency System for Energy), 134 ▪ Participation in CDP, 134, 136; www.bayer.com/CDP-climate ▪ Participation in CDP Water, 138; www.bayer.com/CDP-water ▪ Regular HSE(Q) audits, 104, 124, 131f. ▪ Updated Bayer Group Regulation "Health, Safety, Environment and Quality (HSEQ) Audits," 128 ▪ Reduction target for specific CO₂ emissions of newly registered vehicles, 134 	<ul style="list-style-type: none"> ▪ Taking into account all sustainable savings effects since the system was introduced (in 2008), these savings amounted to 1.55 million MWh in the area of primary energy consumption in 2015, 134 ▪ Reduction of specific energy consumption, 133 ▪ Reduction in specific emissions of ODS and VOC, 137 ▪ Reduction in water consumption, 138 ▪ Reduction in emissions of nitrogen compounds and total organic carbon (TOC) into wastewater, 139f.

UNGC Principle 9: Diffusion of environmentally friendly technologies

Systems	Measures 2015	Achievements 2015
<ul style="list-style-type: none"> ▪ Core business of Covestro (formerly Bayer MaterialScience), 61, 79 ▪ Innovation Target: Covestro (formerly Bayer MaterialScience): improvement in production process technology to achieve better energy efficiency, 53 ▪ Continuous work to develop efficient and environmentally friendly logistics concepts, 107/8 	<ul style="list-style-type: none"> ▪ Reducing emissions using market solutions, 134 ▪ Development and marketing of new, more climate-friendly technologies, 134; www.bayer.com/COV-production ▪ Waste incineration plants operated by Currenta, OA 3-10.3-1 ▪ Water consumption reduction measures, 138 	<ul style="list-style-type: none"> ▪ The waste incineration plants operated by Currenta generate steam, which compared to using fossil energy sources, enables approximately 200,000 metric tons less CO₂ to be emitted per year, OA 3-10.3-1 ▪ 47% of Bayer's business activities (based on energy consumption) are certified to ISO 50001, 132 ▪ Biological water remediation system Phytobac™: some 3,500 systems installed in Europe, OA 3-8.2-3

UNGC Principle 10: Measures to fight corruption

Systems	Measures 2015	Achievements 2015
<ul style="list-style-type: none"> ▪ Target: Compliance risk assessment and training, 54 ▪ Corporate Compliance Policy and organization, 80, 95, 189f., 216, 223 ▪ Compliance Charter, 190 ▪ Group-wide Integrated Compliance Management (ICM), 190 ▪ New anonymous compliance hotline, 95, 190 ▪ Directive on the Management of Compliance Incidents, 190; OA 3-16.3-1 ▪ Code of Conduct for Responsible Lobbying, OA 3-5-1 ▪ Responsible Marketing & Sales Policy, 80, 108, 111 ▪ Directive on Integrity & Responsibility in Communications and Marketing, 109 ▪ Adherence to Ethical Criteria for Medicinal Drug Promotion of WHO, OA 3-7.4-1 ▪ HealthCare "Anti-Corruption Compliance Manual," 109 ▪ Supplier Code of Conduct, 80, 95, 100 	<ul style="list-style-type: none"> ▪ Compliance organization implementing international standards, 189 ▪ Bayer's Corporate Audit Department regularly verifies adherence to the Corporate Compliance Policy, 189 ▪ Roundtable meetings (as part of ICM) to discuss identified compliance risks and coordinate steps to mitigate them, 190 ▪ Continuous information and training on the theme of compliance, OA 3-16.3-2 ▪ New global web-based training program in 83 countries on the subject of conflicts of interest, OA 3-16.3-2 ▪ New hires and employees switching to different areas of responsibility within Bayer are invited to compliance training programs relevant to their functions, 191 ▪ Compliant and lawful conduct factored into the performance evaluations of all managerial employees, 189 ▪ Compensation Report/Performance-related components of the Bayer Board of Management: target attainment also takes into account qualitative objectives including safety, compliance and sustainability aspects, 193 ▪ In 2014, Bayer signed the Call to Action against corruption: https://www.unglobalcompact.org/docs/issues_doc/Anti-Corruption/call-to-action-global-development-agenda-signatories.pdf ▪ Entry in transparency registers of the European Parliament and the U.S. Congress, OA 3-5-1 	<ul style="list-style-type: none"> ▪ Adherence to the Corporate Compliance Policy is among the subjects covered in all audits conducted by Bayer's Internal Audit. Audits are planned using a function- and risk-based approach that also takes a corruption awareness index into consideration. A total of 214 audits were conducted in 2015. These included 38 preventive or incident-related compliance audits, 189 ▪ 38,609 Bayer managers, or 96.6% of the global total, took a compliance training program, 191 ▪ 26,163 employees completed new global web-based training program on conflicts of interest, OA 3-16.3-2 ▪ Bayer HealthCare global anti-corruption training program continued, 109 ▪ CropScience trained another 600 employees in compliance training courses, 111; OA 3-7.4-3 ▪ Around 4,980 Covestro managerial employees took part in web-based compliance training courses, 112 ▪ Supplier assessments and audits conducted, OA 3-7.1-5 ▪ 162 HSEQ and procurement employees completed training courses dealing with the EcoVadis sustainability assessment process, 103

Blueprint Criteria	Reference pages and online annexes referring to "Bayer Annual Report 2015 – Augmented Version" Additional comments and links added
TAKING ACTION IN SUPPORT OF BROADER UN GOALS AND ISSUES	
Core Business Contributions to UN Goals and Issues	
15. Align core business strategy with one or more relevant UN goals / issues.	Communication on Progress 2015: "Bayer Annual Report 2015 – Augmented Version" Bayer backs the comprehensive approach of the new Sustainable Development Goals (SDGs). Bayer's core business in particular supports the goals that focus on combating hunger and ensuring good health care provision across the globe. 79
16. Develop relevant products and services or design business models that contribute to UN goals / issues.	58-61, 79, 134, 219; OA 3-2-1, 3-11-1;
17. Adopt and modify operating procedures to maximize contribution to UN goals / issues.	9, 20, 27, 55, 58-61, 75, 78f., 100, 102f., 134, 190; OA 3-2-1;
Strategic Social Investments and Philanthropy	
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.	59, 143-146; OA 3-2-1, 3-7.1-4, 3-13.5-1; www.bayer.com/atm http://www.bayer-foundations.com/en/homepage.aspx
19. Coordinate efforts with other organizations and initiatives to amplify – and not negate or unnecessarily duplicate – the efforts of other contributors.	78, 100; OA 3-2-1, 3-5-1, 3-6.2-1, 3-11-1 www.bayer.com/cor-responsibility-pharma
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 3-2-1, 3-11-1
Advocacy and Public Policy Engagement	
21. Publicly advocate the importance of action in relation to one or more UN goals / issues.	6, 79f.; OA 3-5-1 (Paragraph: non-governmental organizations, the public, local community, competitors)
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.	OA 3-5-1 With a number of initiatives and partnerships Bayer supports UN goals and topics like the SDGs, MDGs, Human Rights, Children's Rights; Health; Food Supply; Climate and Water Protection, Decent Working Conditions and Anti-Corruption. 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 the 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 +15: Business as a Force for Good, Global Compact +15 Europe or UN Climate Summit with Caring for Climate Business Forum 2015.
Partnerships and Collective Action	
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.	63, 66, 77, 79f., 95, 100, 142; OA 3-2-1, 3-4.2-1, 3-5-1 (Paragraphs: non-governmental organizations, the public, local community, competitors), 3-6.2-1, 3-10.6-1, 3-11-1; www.bayer.com/cor-responsibility-pharma ; http://www.cropscience.bayer.com/en/Commitment.aspx ; http://www.cropscience.bayer.com/en/Commitment/New-Revolution-in-Agriculture/Partnerships.aspx
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, 23

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ENGAGING WITH THE UN GLOBAL COMPACT	
Local Networks and Subsidiary Engagement	
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. Covestro (the former Bayer-subgroup MaterialScience) joined the UN Global Compact in Sept. 2015.
26. Encourage subsidiaries to engage with UN Global Compact Local Networks and to participate actively in events and activities.	We encourage our regional sustainable development coordinators to expand their local sustainability network by collaborating with local UNGC networks.
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 2015: "Bayer Annual Report 2015 – Augmented Version"; individual Bayer division websites: Bayer Pharmaceuticals Division: www.bayer.com/cor-responsibility-pharma and http://pharma.bayer.com/en/commitment-responsibility/ Bayer Crop Science Division: http://www.cropscience.bayer.com/en/Commitment.aspx Covestro (formerly Bayer MaterialScience): http://www.covestro.com/en/Sustainability/Overview.aspx
Global and Local Working Groups	
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. See also p. 79; OA 3-5-1 Bayer also supports the UNGC initiatives "Caring for Climate" and "CEO Water Mandate." See also p. 138, www.bayer.com/cdp-water . See also Criteria 22 and 25. Bayer signed the Call to Action against corruption: https://www.unglobalcompact.org/docs/issues_doc/Anti-Corruption/call-to-action-global-development-agenda-signatories.pdf In 2015, Bayer signed the Business Action Pledge in Response to the Refugee Crisis https://business.un.org/en/pledge_categories/refugee_crisis
29. Take active part in defining scope and objectives of new working groups when relevant.	See Criterion 28
Issue-Based and Sector Initiatives	
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 22 and 28 We observe the UN Guiding Principles on Business and Human Rights, which were adopted in 2011. To implement these, in 2015 we played an active part in the consultation process, which aims to support the German government in drafting a national action plan. OA 3-6.3-2
31. Spearhead need-driven development of new issue-based or sector initiatives within the UN Global Compact and the wider United Nations.	We have, for example, actively contributed to the development of the above-mentioned working groups and initiatives (See criteria 28 and 30).
Promotion and Support of the UN Global Compact	
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 and our Annual Report. We also document and promote UNGC in all company presentations about sustainability. See example p. 6, 100 Active participation in German Global Compact Network; support of UNGC initiatives "Caring for Climate," "CEO Water Mandate," "Call to Action against corruption" and the Business Action Pledge in Response to the Refugee Crisis
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, 100
34. Participate in activities to further develop and strengthen the UN Global Compact.	See Criteria 26 to 31 above

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THE CROSS-CUTTING COMPONENTS	
CEO Commitment and Leadership	
35. CEO publicly delivers explicit statements and demonstrates personal leadership on sustainability and commitment to the UN Global Compact.	6; also news releases; Business roundtable Sustainability Report 2015: http://businessroundtable.org/sites/default/files/2015Bayer.pdf or RSM Leadership Summit 2015: http://www.rsm.nl/rsm-leadership-summit-2015/about-the-summit/2015/marijn-dekkers-bayer-ag/ ; CEO as President of German Chemical Industry association (VCI) promoting the Sustainability Initiative of the German Chemical Industry (e.g. http://www.vci.de/vci-online/presse/pressemitteilungen/2015-11-04-nachhaltigkeitsinitiative-chemie3-legt-ersten-fortschrittsbericht-vor-vci.jsp)
36. CEO promotes initiatives to enhance sustainability of the company's sector and leads development of industry standards.	Responsible Care™ : 79, 113; WBCSD: 30, 79; Chemie ³ -Initiative (Sustainability Initiative of the German Chemical Industry) https://www.chemiehoch3.de/de/home.html (German only) Bayer currently chairs econsense, German industry's sustainable development forum, and the Bayer CEO is on the econsense board of trustees; OA 3-5-1 (paragraph: Associations) Caring for Climate: OA 3-5-1, CEO Water Mandate: 138, sector initiatives for suppliers (TfS, PSCI): 100
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 programs for CEO and executive management team.	See Criteria 8 to 10
Board Adoption and Oversight	
39. Board of Directors (or equivalent) assumes responsibility and oversight for long-term corporate sustainability strategy and performance.	80 and see Criteria 8 to 10
40. Board establishes, where permissible, a committee or assigns an individual Board member with responsibility for corporate sustainability.	80 and see Criteria 8 to 10 Board member responsible for Human Resources, 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 2015 – Augmented Version."
Stakeholder Engagement	
42. Publicly recognize responsibility for the company's impacts on internal and external stakeholders.	52, 57f., 80f.; OA 3-5-1 This is the basis of our sustainability commitment.
43. Define sustainability strategies, goals and policies in consultation with key stakeholders.	52-55, 57f., 80f.; OA 3-5-1
44. Consult stakeholders in dealing with implementation dilemmas and challenges and invite them to take active part in reviewing performance.	57f., 80f.; OA 3-5-1
45. Establish channels to engage with employees and other stakeholders to hear their ideas and address their concerns, and protect 'whistleblowers.'	57f., 64, 86, 92, 95, 188-190; OA 3-5-1
Transparency and Disclosure	
46. Share sustainability information with all interested parties and respond to stakeholder inquiries and concerns.	Communication on Progress 2015 as a whole: "Bayer Annual Report 2015 – Augmented Version;" OA 3-5-1; sustainability website (http://www.bayer.com/en/sustainability.aspx); social media; http://www.bayer.com/en/annual-stockholders-meeting-2016.aspx
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 2015: "Bayer Annual Report 2015 – Augmented Version" and this document Table on p. 348-361: G4 Content Index of the Global Reporting Initiative (GRI) with the 10 Principles of the UN Global Compact
48. Integrate Communication on Progress into annual financial report or publish them together.	COP published in integrated form for the third time (reporting period 2015): Communication on Progress 2015: "Bayer Annual Report 2015 – Augmented Version"
49. Secure external verification of Communication on Progress or seek other methods for legitimization by external stakeholders.	338-341