



Responsibility and Commitment

Bayer Human Rights Policy

WWW.BAYER.COM

Management Summary

As a world-class innovation company with global operations, Bayer is looking to shape the future in a positive way and generate innovations that benefit humankind. For us, conducting our business in harmony with ethical precepts and the principles of sustainable development is an integral part of this claim. This is why we are committed not only to strict compliance with all applicable statutory provisions but also to the determined observance of human rights both internally and in our sphere of influence.

As a socially responsible company, Bayer has long been committed to upholding and supporting human rights at various levels. We have declared our commitment to the United Nations' Declaration of Human Rights and were among the founding members of the United Nations Global Compact, which actively promotes sustainable and ethical corporate management worldwide.

Our Bayer values of Leadership, Integrity, Flexibility and Efficiency - represented by the acronym LIFE - and the Bayer Corporate Compliance Policy also commit all employees to be respectful and legally-compliant toward employees, colleagues, business partners and communities.

We firmly believe that respect for people is mandatory for business excellence.

Our Human Rights Policy forms the non-negotiable basis of our Group-wide commitment. Please familiarize yourself with our ethical fundamentals and make them an overriding principle in your business conduct.

Michael König
Bayer AG
Member of the Board of Management

Table of contents

1	BAYER IS COMMITTED TO HUMAN RIGHTS	4
2	WE HAVE CLEARLY DEFINED HUMAN RIGHTS STANDARDS	4
3	HUMAN RIGHTS IN OUR OWN OPERATION	5
3.1	Working Conditions	5
3.2	Diversity and Inclusion	5
3.3	Freedom of Association and Collective Bargaining	5
3.4	Health and Safety	6
3.5	Security	6
3.6	Forced Labor	6
3.7	Child Labor	6
4	BUSINESS PARTNERS	6
4.1	Suppliers	7
4.2	Customers	7
4.3	Acquisitions	8
5	LOCAL COMMUNITIES	8
6	GRIEVANCE MECHANISMS	9
7	RESPONSIBILITIES	9
8	REFERENCES	10
8.1	External Sources	10
8.2	Bayer Sources	10

1 Bayer Is Committed to Human Rights

Bayer supports the United Nations' Universal Declaration of Human Rights and a number of globally recognized declarations for multinational enterprises¹. As founding member of the United Nations Global Compact, Bayer already committed itself in the year 2000 to its ten principles² derived from the Universal Declaration of Human Rights.

In addition to these guidelines we support the United Nations Guiding Principles on Business and Human Rights - also known as the "Ruggie Framework" - which provides global standards for preventing and addressing the risk of adverse impacts on human rights linked to business activity.

2 We Have Clearly Defined Human Rights Standards

The Bayer mission statement "Science For A Better Life", our LIFE values and our Corporate Compliance Policy – combined with the United Nations Global Compact – clearly define human rights standards. These standards require all employees around the world to act with fair and lawful conduct toward other employees, colleagues, business partners and local communities. We are committed to upholding and supporting human rights and to transparently reporting about them. In particular we

- have policies, processes and monitoring systems in place to implement human rights in **our own operations**
- expect **our business partners** – suppliers and customers – to share our commitment to respect human rights, and to conduct their business in an ethical manner and act with integrity
- support human rights in **local communities**.

The Bayer commitment to promoting human rights applies to all Bayer locations and business operations worldwide. As a global company, we regard this as representing a social and ethical commitment as well as a key requirement for sustainably developing our business.

Human rights standards guide our decision-making and constructive engagement both internally and in our sphere of influence, while the responsibility of national governments for the protection of human rights is respected at the same time.

¹ e.g.

- Global chemical industry's Responsible Care Global Charter
- Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy of the International Labor Organization (ILO),
- Guidelines for Multinational Enterprises of the Organization for Economic Cooperation and Development (OECD)
- United Nations' Universal Declaration of Human Rights
- International Covenant on Civil and Political Rights
- International Covenant on Economic, Social and Cultural Rights
- International Labor Organization's (ILO) eight core labor standards

² <https://www.unglobalcompact.org/aboutthegc/thetenprinciples/>

3 Human Rights in Our Own Operation

3.1 Working Conditions

With our compensation and benefits we aim to provide an adequate standard of living for our employees and their families.

We foster a work environment where each of us can perform best, innovate and develop. We encourage our employees to fully utilize their potential by offering ample development opportunities and supporting a feedback culture throughout the enterprise.

We respect the right to rest and leisure, including vacation with pay, and the right to family life, including parental leave and comparable provisions as applicable.

Our employees' lifestyles reflect the diversity of our people. Flexible work-time arrangements empower employees to use opportunities to balance their employment with their personal or family lives by helping them to better plan their leisure time, enabling working parents to make equal use of career opportunities in the company and helping the growing number of employees who take care of close relatives.

3.2 Diversity and Inclusion

Equal treatment of all employees is a fundamental principle of our corporate policy.

No person is to be unfairly disadvantaged, favored or ostracized because of irrelevant characteristics such as race, national origin, gender, age, physical characteristics, social origin, disability, union membership, religion, family status, pregnancy, sexual orientation, gender identity, gender expression or any unlawful criterion under applicable law.

Harassment of any kind is forbidden.

We expect our employees to be respectful, professional, and fair in their dealings with colleagues and third parties, including customers, suppliers and officials.

Under comparable prerequisites, we provide equal pay for equal work.

3.3 Freedom of Association and Collective Bargaining

We are committed to an open and constructive dialogue with our employees and their representatives.

Our employees are free to join organizations of their choice that represent them. These organizations may engage in collective bargaining according to the applicable legal regulations.

At all Bayer sites worldwide, employees have the right to elect their own representatives. Employees who act as representatives are neither disadvantaged nor favored in any way.

3.4 Health and Safety

We ensure uniformly high health protection, safety, environmental protection and quality (HSEQ) standards at our sites.

HSEQ regulations are consistently applied worldwide to minimize the occurrence of accidents and incidents.

Experts on occupational safety support line management in preventing illnesses and accidents by implementing appropriate measures.

Our sites offer employees an ample range of health care services, including measures that go beyond health at work.

3.5 Security

As a high profile company with a broad-based portfolio and business activities in almost all countries across the globe, we ensure and uphold the Corporate Security Mission: “Protecting our people and our business, minimizing economic losses & disruption and safeguarding the Group’s integrity and reputation.”

Additionally, we offer concrete support for our employees in terms of providing behavior training, training to prevent violence at work, sensitization & awareness training for business trips and crisis management in case of an emergency.

Freedom of fear means a free and fearless working environment in a globalized world. We follow the fundamental right derived from the principle of human security.

3.6 Forced Labor

All forms of forced and compulsory labor are strictly prohibited.

We comply with all applicable laws and agreements on working time and paid leave.

3.7 Child Labor

We follow a clear ‘zero tolerance to child labor’ policy in our business operations worldwide.

Our efforts to fight child labor are consistent with the ILO’s (International Labor Organization) core labor standards³ and the United Nations Global Compact principles.

4 Business Partners

By acting responsibly in our collaboration with business partners – suppliers and customers – we aim to minimize risks and create stable, long-term business relationships.

³ Minimum Age Convention 1973; (No. 138); Worst Forms of Child Labour Convention, 1999, (No. 182).

4.1 Suppliers

Bayer expects all its suppliers and subcontractors to share our commitment to high ethical standards and to operate in a responsible and ethical manner towards their employees and their own suppliers. Moreover, we expect our suppliers to replicate these standards further down the supply chain.

Our principles are expressed in our Supplier Code of Conduct. The Code forms the general basis for our collaboration and comprises an important component of supplier selection and evaluation. It is made available to our suppliers with the goal of strengthening our mutual understanding of how sustainability should be practiced in day-to-day business. It is legally binding and integrated into electronic ordering systems and contracts throughout the Group.

The human rights topics that are specified in the Code of Conduct comprise material aspects in the areas Ethics, Labor and Health, Safety, Environment & Quality.

We are committed to ensuring that the products delivered to us are responsibly manufactured by suppliers. Supplier assessments and audits are used to check whether the demands within the Code of Conduct are actually being implemented and complied with among our supply base.

4.2 Customers

As a world-class innovation company we focus on the needs of our customers. Our products and services are designed to benefit people and improve their quality of life – in line with our mission “Bayer: Science For A Better Life.”

Our commitment to the principle of sustainability comprises our goal to protect the health and safety of everyone who comes into contact with our products.

We assess the possible health and environmental risks of a product throughout its entire lifecycle. This starts with research and development and continues through production, marketing and use by the customer through to disposal.

We do not tolerate legal violations in the marketing of our products. Responsible marketing means acting ethically and morally and adhering to sustainability principles.

HealthCare continuously assesses the medical benefit-risk profile of its pharmaceuticals and medical devices throughout their entire life cycle.

Safety of patients included in clinical trials conducted by us or contracted Clinical Research Organizations (CROs) is our highest concern. Research in humans is conducted according to strict scientific and ethical principles and to uniform global standards. These standards are followed in accordance with regulatory requirements and local as well as international laws and regulations and have been incorporated in respective Bayer policies. We base the implementation of all clinical studies on the Good Clinical Practices of the World Health Organization (WHO), the guidelines of the International Conference on Harmonization (ICH) and on the Declaration of Helsinki.

We concentrate on the research and development of innovative drugs, novel therapeutic approaches and medical products. Furthermore, we are constantly improving established products and at the same time are committed to improving access to medical care around the world. With our strategic commitment in numerous collaborations and partnerships, we are facing up to the challenges, so that also needy people worldwide have access to the products and therapies we develop.

The application of crop protection products requires the greatest possible care. Supporting our customers and partners in the proper and safe handling of the products is therefore a focus of product stewardship at CropScience.

We observe the International Code of Conduct on the Distribution and Use of Pesticides of the United Nations Food and Agriculture Organization (FAO). The principles of this code cover the entire life cycle of a product, from its development to its application and beyond. We will ensure that appropriate programs are implemented in order to train, instruct and, as necessary, update our own staff and customers in all aspects of the responsible management of our products in line with the principles of our Product Stewardship Policy.

We base our stewardship activities and decisions on ethical behavior that seeks to balance economic prosperity, environmental protection, public health and social need.

4.3 Acquisitions

In the case of acquisitions we examine prior to the transaction, to the extent possible, whether the applicable environmental and occupational safety regulations and fundamental employee rights referred to in this policy are complied with in the company in question.

5 Local Communities

We monitor and address the impact our business has on our plant neighbors, local communities and global society.

Security guards of sites – whether our own employees or third-party providers – are trained locally, especially to abide with the local laws and environment. Generally speaking, security guards must only behave in a preventative manner and attempt to solve security related issues with non-violent means. For situations where defensive force is necessary, the security guards are adequately trained as to what levels of force are to be used for the different security situations. The roles and responsibilities of the security guards are clearly defined by the Bayer country organizations for which they provide their services.

We aim to use natural resources responsibly, in so doing promoting biodiversity and thus recognizing the diversity of species, the diversity of ecosystems and genetic diversity. We are explicitly committed to the United Nations' Convention on Biological Diversity (CBD) and its objectives, including the conservation of biological diversity, the sustainable use of its components and the fair and equitable sharing of

the benefits arising out of the utilization of newly discovered genetic resources and traditional knowledge.

We respect the rights of indigenous people and reflect on the human rights impact our operations have on these people.

Within the scope of our social commitment, we also make contributions in the areas of science and education, health, social needs and community projects.

6 Grievance Mechanisms

The Compliance function at the Group and country levels monitor compliance with the relevant laws and regulations, including the Bayer Human Rights Policy. We maintain and improve operational-level grievance mechanisms.

Bayer provides different communication channels to report possible compliance violations.

Employees may contact any of the following: manager/supervisor, department head, Law, Patents and Compliance Department, Compliance Officer, Corporate Auditing or Human Resources (for employment only matters).

Additionally, we have established a worldwide system available to employees and the general public through which possible compliance violations can be reported – anonymously if desired.

We are committed to enabling the remediation of any adverse human rights impacts caused by our business activities.

7 Responsibilities

We expect all our employees to strictly adhere to the principles contained in this policy. If employees are uncertain or have questions about the practical application of the principles in question they should contact their supervisor or the responsible Compliance Officer.

Our managerial staff holds a particular responsibility for ensuring compliance with the principles of this policy in everyday operations. We therefore expressly urge all managerial staff to meet their commitment to maintain resolute and exemplary behavior in this area and to work with their employees to uphold the ethical principles of the Bayer Group in their field of responsibility.

The Corporate functions Environment & Sustainability and Human Resources & Organization have a steering and supporting role – particularly with regard to governance, and processes.

8 References

8.1 External Sources

- Global chemical industry's Responsible Care Global Charter, <http://www.bayer.de/downloads/responsible-care-global-charter.pdf?forced=true>
- Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy of the International Labor Organization (ILO), http://www.ilo.org/empent/Publications/WCMS_094386/lang--en/index.htm
- Guidelines for Multinational Enterprises of the Organization for Economic Cooperation and Development, <http://www.oecd.org/corporate/mne/>
- United Nations' Universal Declaration of Human Rights, <http://www.un.org/en/documents/udhr/>
- International Covenant on Civil and Political Rights, <http://www.ohchr.org/en/professionalinterest/pages/ccpr.aspx>
- International Covenant on Economic, Social and Cultural Rights, <http://www.ohchr.org/EN/ProfessionalInterest/Pages/CESCR.aspx>
- International Labor Organization's (ILO) eight core labor standards, <http://ilo.org/global/standards/introduction-to-international-labour-standards/conventions-and-recommendations/lang--en/index.htm>
- United Nations Global Compact, <https://www.unglobalcompact.org>
- United Nations Guiding Principles on Business and Human Rights, <http://business-humanrights.org/en/un-guiding-principles>

8.2 Bayer Sources

- Bayer Annual Reports, <http://www.bayer.com/en/integrated-annual-reports.aspx>
- Bayer Corporate Compliance Policy, <http://www.bayer.com/en/corporate-compliance-policy.aspx>
- Bayer Mission & Values, <http://www.bayer.com/en/mission---values.aspx>
- "Fairness and Respect at Work"
- Bayer Supplier Code of Conduct, <http://www.bayer.com/en/supplier-management.aspx>
- Ethics in Research and Development, <http://pharma.bayer.com/en/commitment-responsibility/ethics-and-transparency/ethics-in-r-and-d/>
- Bayer Corporate Policy Responsible Marketing & Sales, <http://www.bayer.com/en/responsible-marketing-sales-regulation.aspx>
- Bayer Crop Science Product Stewardship - Policy and Key Requirements, <http://www.bayercropscience.com.au/resources/uploads/brochure/file9163.pdf>
- Biodiversity, <http://www.bayer.com/en/position-biodiversity.aspx>