



Modern Slavery Act Statement

for the financial year ending 31st December 2016

This statement is made in relation to Section 54 of the UK Modern Slavery Act 2015. The company's understanding of slavery and servitude, forced or compulsory labour and human trafficking is based on the definitions given in the Act.

1 Organization

Bayer is a Life Science company based in Germany with affiliates around the world.

The operations are managed in three divisions – Pharmaceuticals, Consumer Health and Crop Science – and the Animal Health business unit and the corporate functions. To learn more about Bayer visit our Website www.bayer.com.

Bayer's operations in the UK are predominantly carried out through the Bayer AG affiliates, Bayer plc and Bayer CropScience Limited.

2 Business

Our business portfolio is focused exclusively on the Life Sciences and on solving the major challenges of the future – from Pharmaceuticals to Consumer Health to Animal Health and Crop Science. No comparable company is similarly positioned to offer solutions for both health care and agriculture. As a Life Science company, we can concentrate even more on fulfilling our mission.

3 Values

Bayer's culture is an important factor in the company's success. The LIFE values are a key part of this. They provide us with guidance for our daily work as we seek solutions to the major challenges of our time.

The word "LIFE" doubles up as an acronym for Bayer's key values and leadership principles. LIFE stands for Leadership, Integrity, Flexibility and Efficiency.

These values apply to everyone at Bayer and are also firmly integrated into our global performance management system for managerial employees. Our value culture ensures a common identity within the enterprise across national boundaries, management hierarchies and cultural differences.

Bayer is committed to ensuring the health and safety of our employees and partners, smooth and safe operations at our facilities, and the safety of our products.

The actions of every employee at Bayer should be guided by integrity – as set out in our LIFE values. Compliance therefore serves as a code of conduct that applies to all Bayer employees worldwide.

At Bayer, we constantly strive to create the best environment for employees to perform, innovate and develop. A condition for this is treating every employee fairly and with respect.

4 Supply chain

Bayer assumes its responsibility concerning social, ecological and ethical standards and how Bayer Group companies put into practice the principles of sustainable development in their daily operations.

Bayer expects all its suppliers and subcontractors to share the principles which are expressed in our Supplier Code of Conduct and comprise an important component of supplier selection and evaluation. Relevant provisions from our Code for the purposes of this statement include:

- i) no tolerance of child labor in Bayer's supply chain
- ii) no use of forced, bonded or indentured labor or involuntary prison labor
- iii) suppliers will provide their employees with a workplace free of harsh and inhumane treatment
- iv) working hours for suppliers' employees will not exceed the maximum set by the applicable local law

We assess adherence to these principles before making final decisions around the issuing or renewal of supply contracts and have made our suppliers aware of the importance we attach to this. In the preparation of this statement, we have considered the Bayer supply chain and have not determined any indication for slavery and servitude, forced or compulsory labour or human trafficking (Modern Slavery) within it.

Moreover, we expect our suppliers to replicate these standards further down the supply chain. This Supplier Code of Conduct is therefore made available to our suppliers with the goal of strengthening our mutual understanding of how sustainability should be practiced in day-to-day business and in the expectation that our suppliers will seek to enforce the same principles within their own supply chains.

5 Policies

Bayer has established global policies on - amongst others – Corporate Compliance, Human Rights Position, Fairness and Respect at work and our LIFE values. As we have not determined any indication for Modern Slavery within our business and supply chain, we do not maintain further separate policies in relation to those matters, nor provide stand-alone training on them to the majority of our staff.

We do have existing policies and procedures relating to grievances, disciplinary issues and whistleblowing. They are sufficient to allow and encourage any employee, contractor or agency worker with relevant information about Modern Slavery to come forward without fear of retaliation and also to allow Bayer to take any necessary corrective action immediately.

At Bayer, we constantly strive to create the best environment for employees to perform, innovate and develop. We believe that a critical element in achieving this goal is treating every employee fairly and with respect.

The essential components of Fairness and Respect are an environment in which acceptable standards of behavior are followed and that ensures that employees shall not be subject to discrimination, harassment or retaliation. Bayer believes that its employees deserve to work in an environment where fairness and respect are an essential part of the company culture.

These principles are fundamental to Bayer, expressed in such places as the LIFE values, which instruct us to treat others fairly and with respect. The Corporate Compliance Policy states that Bayer expects its employees to be respectful, professional, and fair in their dealings with colleagues and third parties, including customers, suppliers, and officials.

Bayer has also declared its commitment to United Nations Declaration of Human Rights and is among the founding members of the United Nations Global Compact, which actively promoted sustainable and ethical corporate management worldwide.

6 Commitment

Owing to these policies and the above mentioned values, Bayer is committed to not tolerating Modern Slavery. We have checked the wording of our actual policies on all aspects of the UK Modern Slavery Act and will adapt it accordingly.

To foster the due diligence process, we enlarged our interdisciplinary Bayer Working Group “Human rights” by further representatives of divisions and corporate functions.

7 Training

The purpose of training is to educate Bayer employees about laws and company regulations relevant to their daily activities, support them in identifying situations of potential risk and provide practical advice on how to act in a compliant manner.

The aim of these targeted training programs is to ensure that employees do not overstep boundaries out of ignorance or uncertainty. Our compliance training programs reflect the main compliance risk areas and are available in various formats to meet the training needs of different employee groups. Some take the form of online training programs, while others involve face-to-face training sessions or workshops.

In 2016, compliance was again the subject of wide-ranging internal communications activities. Employees were given additional information on various compliance related topics, with a focus on “fairness and respect in the workplace.”

8 Audits

Adherence to the Corporate Compliance Policy is among the subjects covered in all audits conducted by Bayer Internal Audit. The planning of these audits follows a function and risk-based approach.

The head of Internal Audit and the Group Compliance Officer regularly attend the meetings of the Audit Committee of Bayer AG's Supervisory Board, presenting a summary of conducted audits and their outcomes at least once a year.

9 Corporate Responsibility

This statement was approved by the Board of Management of Bayer AG and the Boards of Bayer plc and Bayer CropScience Limited.

Signed



Dr. Hartmut Klusik

Member, Board of Management, Bayer AG



Dr. Alexander Moscho

Director, Bayer plc and Bayer CropScience Limited

19 June 2017