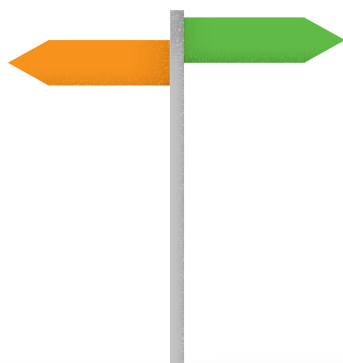




# Corporate Compliance Policy

English Version



**COMPLIANCE W.I.N.S.**  
Worldwide Integrity is Necessary for Success



**Phone:**

**00 800 15 15 1700**

(toll-free number for Germany)

Compliance Hotline numbers for other countries are listed on the Bayer intranet and internet (see below).

**E-mail:**

**[bayercompliance@expolink.co.uk](mailto:bayercompliance@expolink.co.uk)**

**Web reporting:**

**[www.expolink.co.uk/bayercompliance](http://www.expolink.co.uk/bayercompliance)**

**Intranet (for employees):**

**[corporate-compliance.bayernet.cnb](http://corporate-compliance.bayernet.cnb)**

**Internet:**

**[www.bayer.com/en/corporate-compliance.aspx](http://www.bayer.com/en/corporate-compliance.aspx)**

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# Dear Colleagues,

We all share the aim of providing people with innovative solutions that improve their quality of life. We can only succeed in this if we have society's trust. That trust is something we have to earn each and every day. This applies equally to everyone within Bayer – to employees as well as to the Board of Management.

What that means for each of us is that our actions must also be based on laws, internal policies, voluntary commitments and ethical principles. Illegal transactions and activities are therefore unacceptable – everywhere in the world and without exception.

Our LIFE values also reflect this. They make it clear that integrity is one of the key elements of our corporate culture and provide the ground rules we must abide by in all we do.

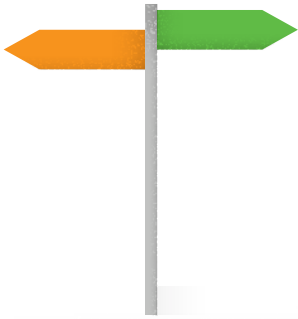
The aim of this compliance policy is to help you to follow Bayer's principles of business conduct. However, it is not enough to simply take note of them; what matters is that we take these compliance principles to heart and, above all, that we live by them; that applying these principles becomes second nature to us. This policy also helps us to monitor our own actions and tells us to whom we should turn whenever we are faced with questions regarding compliance.

I would particularly like to emphasize that, to me, this is not simply a question of formal compliance with legal requirements, rules and regulations, or avoiding possible penalties. What counts is that each of us is truly convinced of the importance of always acting in accordance with these principles. Let us work together to successfully develop solutions that people trust, because that is precisely what matters.

Yours,  
*Werner Baumann*



**WERNER BAUMANN**  
Chairman of the Board  
of Management of Bayer AG



# Introduction

## **WHY IS THIS CORPORATE COMPLIANCE POLICY IMPORTANT FOR ME?**

This Corporate Compliance Policy outlines Bayer's principles of business conduct. It defines the boundaries within which we as Bayer employees must act in compliance with laws and internal policies. Doing so protects Bayer and each of us.

This Policy does not cover every situation we may encounter. However, it is our compass for acting with integrity.

## **LIVING THESE PRINCIPLES**

We take pride in doing things right. Each day we need to exercise good judgment, act with integrity, and observe the principles of this Policy.

Each of us needs to be familiar with this Policy and understand the laws, regulations and other Bayer policies that apply to our job responsibilities. Then, we need to put these principles into use with every decision and action we take. Together, we can prevent and address risks as they arise.



## **DOING THE RIGHT THING**

Our decisions are legal, ethical and responsible. Doing the right thing is not always easy or clear, but it is necessary. For help, consult our internal experts for input and guidance.

## **ASKING QUESTIONS AND RAISING CONCERNS**

Bayer provides information, resources and advice to prevent violations of the law or company policies. Asking questions and raising concerns helps Bayer maintain a strong culture of compliance.

If you have a question or concern:

- Speak to your manager or your manager's supervisor, or
- Contact the Law, Patents and Compliance Department, Human Resources (for HR-related matters) or Internal Audit, or
- Contact the Bayer Compliance Hotline, a safe and secure way to confidentially report a compliance concern. The Hotline is available 24 hours a day, seven days a week via telephone, email and internet – and you can choose to remain anonymous where permitted by local law.

Bayer will not retaliate and does not tolerate retaliation against any employee who in good faith raises a concern.

## **COOPERATING WITH AUTHORITIES**

We make every effort to cooperate with government authorities and agencies while at the same time protecting Bayer's interests and rights. Whenever we provide them with company information, or make public announcements, we do so completely, correctly and timely.

# 1 We compete fairly in every market

**OUR COMMITMENT** Bayer competes on the merits of its products and services and firmly supports the existence of free and open markets. We strictly adhere to the laws designed to promote and protect competition.



## KEY MESSAGE

Antitrust violations are inherently bad for business. They undermine markets and harm consumers.

## INTERACTIONS WITH COMPETITORS

Our interactions with competitors must comply with the law. We do not, for example, enter into agreements with competitors to fix prices or terms of sale, allocate markets, restrict production or influence the outcome of contract bidding processes.

We will not be a part—or even give the appearance of being a part—of a conspiracy or cartel. We don't exchange or discuss with our competitors sensitive business information. This includes pricing, sales volumes or production capacities, costs or margins, customer information, marketing and sales strategies, research and development efforts and similar data.

Bayer does not enter into any understanding, arrangement, collaborative action or agreement with competitors with the intention of limiting or restricting competition.

**Q.** *At an industry conference, a former Bayer colleague who now works for a competitor started talking to me about the new sales campaign his employer was planning to implement. I am pretty sure he shouldn't have shared this information with me, so I told him that and quickly left the discussion. Did I do the right thing?*

**A.** Yes. At trade shows and industry events, there are legitimate topics competitors can discuss such as general scientific developments and regulatory reform. However, you were right to stop your conversation and leave as soon as your colleague raised a competitive or strategic topic. It also helps to make sure others know why you are leaving and to bring the incident to the attention of the Law, Patents and Compliance Department.





#### ASK YOURSELF

- *Am I sure that the proposed agreement or activity fully complies with antitrust laws?*

Some agreements or activities will always be considered antitrust violations. Others depend on the specific facts and circumstances. Bayer could face serious fines, lawsuits, lost sales and severe harm to its reputation if we do not follow the rules. Individuals involved in antitrust violations face termination of employment, fines and even imprisonment.

To navigate safely, involve the Law, Patents and Compliance Department.

## INTERACTIONS WITH CUSTOMERS AND SUPPLIERS

We are careful when granting exclusive rights to customers or suppliers, or entering into agreements that limit the way in which goods or services can be used, resold or priced. We do not, for example, require customers to stop selling a competitor's product before we will supply them with our product, or to resell our products at a fixed or minimum price.

## ABUSE OF DOMINANT MARKET POSITION

In cases where Bayer has a dominant market position in a particular good or service, we do not abuse or exploit our economic strength to unlawfully eliminate competition, prevent new competition from entering the market, or manipulate prices. We do not, for example, deliberately sell our products below cost or refuse to sell customers one product unless they agree to buy another product from us.



#### LEARN MORE

- **POLICY No. 2073**  
*Antitrust Compliance*
- **POLICY No. 1926**  
*Interaction with Competitors*



## **2 We act with integrity in all our business dealings**

**OUR COMMITMENT** Bayer does not tolerate corruption and will refuse any business opportunity that involves any form of bribery.

We never offer or give a benefit to try—or even give the appearance of trying—to wrongfully influence someone else’s decision or action.

### **BENEFITS TO THIRD PARTIES**

Bayer only allows employees to offer or give modest benefits, such as gifts or hospitality, to third parties in certain situations during the normal course of business. Employees cannot offer or give a benefit if the intention is to wrongfully influence the recipient.

“Wrongfully influence” means to intend to cause the recipient of a benefit to misuse his or her position to provide an inappropriate advantage. Some examples of benefits that can be used to wrongfully influence include:

- cash, gift cards or other cash equivalents
- gifts, meals, travel or hospitality
- invitations to events and meetings
- offers of employment
- business opportunities
- personal favors
- donations to a chosen charity
- free or discounted product

Some examples of inappropriately obtained advantages as a result of using benefits to wrongfully influence someone include:

- encouraging, holding up or speeding up a decision
- winning a contract
- continuing, growing or enhancing existing business
- approving a permit or license
- passing an inspection or ignoring a violation



### KEY MESSAGE

Bayer's reputation is upheld by every employee doing the right thing. There is no justification for illegal business practices—ever. We accept the fact that we may lose some business opportunities as a result.

**Q.** *Our distributor says that he can win a new government contract for Bayer if we make a contribution to a certain charity. I think the president of the charity works for the government agency that is awarding this contract. What shall I do?*

**A.** Do not make any contribution and report this distributor to the Law, Patents and Compliance Department. This distributor is suggesting that we disguise a bribe in the form of a contribution. A dishonest distributor or agent might also demand a higher than expected fee. He or she could potentially use a portion to bribe the officials responsible for awarding the contract.



#### LEARN MORE

- **POLICY No. 2041**  
*Anti-Corruption*
- **POLICY No. 2083**  
*Third Party Due Diligence Process*
- **POLICY No. 1978**  
*Donations*

## INTERACTION WITH GOVERNMENT OFFICIALS OR HEALTHCARE PROFESSIONALS

In many countries, it is illegal to offer or give anything to a government official or healthcare professional, even if it is not for an improper purpose. Even where not forbidden, the giving of a benefit may require public reporting or disclosure. Note that in some countries, a healthcare professional is considered a government official.

Bayer prohibits the use of payments made to a government official to speed up or facilitate the performance of routine, non-discretionary services or actions, such as issuing a license or permit. However, fees paid in accordance with official government procedures accompanied by receipts for payment are permissible.

## USING THIRD PARTIES

We do not use another person or entity (such as a third party distributor, agent or advisor, family member or family business) to offer or provide a benefit that we cannot offer or give ourselves. Bayer uses a due diligence process to review third parties for any history of corrupt practices.

## MONEY LAUNDERING

We conduct business with reputable third parties who engage in legitimate business activities. To help ensure compliance, we follow all local laws designed to prevent money laundering. Additionally, Bayer will not do business with individuals or entities sanctioned for having a past or ongoing association with criminal or terrorist activities.



### ASK YOURSELF

- *Am I following local laws and Bayer policies regarding the business use of gifts and hospitality?*
- *Am I sure I'm not trying to wrongfully persuade someone to do something for Bayer?*

If you are not sure about offering a modest business gift or what limits might apply in your country, contact the Law, Patents and Compliance Department, especially before offering or giving anything to a government official or healthcare professional.

## 3 We balance economic growth with ecological and social responsibility

**OUR COMMITMENT** Bayer endeavors to develop, produce and sell products in a safe and sustainable way that meets the needs of our employees, customers and society, and protects the environment.

Responsible business practices are the foundation of our activities. We are committed to meeting all health, safety and environmental laws and industry standards in every aspect of our business.

### HEALTH AND SAFETY

Protecting ourselves, our neighbors and the environment is a top priority. This includes the health and safety of everyone who uses our products as well.

#### *Product Safety*

We evaluate and address the potential health and environmental risks associated with our products throughout their entire life cycles—from research and development to production, marketing, use and disposal. We openly communicate the safe and proper way to use our products and the risks associated with their use by providing appropriate instructions and warnings.

#### *Occupational Health and Safety*

We share responsibility for maintaining a healthy and safe workplace. By emphasizing best practices and safe behaviors, we promote an overall safe working environment and minimize the likelihood of an accident, injury or illness.

#### *Process and Plant Safety*

Our manufacturing procedures and methodologies are designed to help ensure that our operations do not pose an inappropriate risk to ourselves, the environment or our communities. Throughout our plants and laboratories, we continually work to reinforce and optimize our safety culture and related standards.



### KEY MESSAGE

Bayer takes a strong stance on safety, environmental stewardship and human rights and expects equal commitment from its suppliers.



### **Transportation Safety**

We have people and procedures in place throughout the organization to help ensure that materials are handled and transported safely and securely and in line with applicable regulations.

## **ENVIRONMENTAL PROTECTION**

Our actions, operating practices and products should not damage the environment in which we operate.

To uphold this commitment, we work hard to reduce the environmental impact of our products and activities, use natural resources responsibly, improve our resource and energy efficiency, and develop new technologies, optimized processes and innovative products that serve to protect or even benefit the environment, nature and the climate.

We further observe all laws and adopt our own strict regulations regarding the generation, use, storage and disposal of hazardous chemicals and other materials.

## **SUPPLIER MANAGEMENT**

We expect our suppliers and subcontractors to share Bayer's commitment to operating in a responsible and ethical manner, consistent with the principles set forth in this Policy and in Bayer's Supplier Code of Conduct. We also expect our suppliers and subcontractors to maintain these standards further down the supply chain. We consider compliance with these standards an important factor when choosing new suppliers or continuing our relationships with existing ones.

## **HUMAN RIGHTS**

Bayer recognizes and respects human rights wherever it does business, both internally and within its external sphere of influence. Our standards require all employees around the world to act with fair and lawful conduct toward colleagues, business partners and local communities. We are committed to upholding and supporting human rights, including in our supply chain. Our human rights position is unequivocal and includes a strict ban on child labor.



### **LEARN MORE**

- **POLICY No. 2089**  
*Safety at the Bayer Group*
- **POLICY No. 2055**  
*General HSEQ Requirements*
- **POLICY No. 1935**  
*Bayer Human Rights Policy*
- *Bayer Supplier Code of Conduct (available on [www.bayer.com](http://www.bayer.com))*



### **ASK YOURSELF**

- *Am I making a good, safe choice or am I at risk of injuring myself, the environment or others?*
- *Do I know what to do in an emergency or when I see an unhealthy or unsafe condition or behavior?*

If you don't know or aren't sure about the best way to proceed, ask your manager, your Health, Safety and Environment (HSE) manager or the Law, Patents and Compliance Department.

## 4 We observe trade controls that regulate our global business

**OUR COMMITMENT** Bayer supports national and international initiatives that aim to prevent the misuse of its goods or technologies as nuclear, biological or chemical weapons or in the spread of terrorism or war.

We adhere to trade control regulations, sanctions and other efforts intended to promote international peace and stability. We also abide by local laws governing international trade. Bayer expects third parties who act on its behalf to strictly adhere to these same commitments.

### TRADE CONTROLS AND ECONOMIC SANCTIONS

We have internal processes and systems designed to prevent the use or diversion of Bayer goods, software, technologies or services in improper ways. If we have concerns, Bayer will not do business with the potential customer.

We also will not do business with entities or persons that have been identified as being associated with nuclear, chemical or biological weapon activities, terrorism or narcotic trafficking, or other improper activity. In addition, we observe restrictions on payments or other financial dealings involving these prohibited parties.



#### KEY MESSAGE

Trade compliance reduces the risk that our goods or technology end up in the wrong hands.



#### ASK YOURSELF

- *Do I know if this transfer of goods, technology or services from one country to another (even if between Bayer affiliates) is subject to an applicable trade restriction?*
- *Will I violate any trade controls if I share this intellectual property, know-how or trade secret with someone else (even with another Bayer colleague)?*

Designs, drawings, software and other intangibles are harder to monitor than a pallet of products, but their improper use can be just as, if not more, dangerous. If in doubt, ask your manager, International Trade Control expert or the Law, Patents and Compliance Department.





**Q.** *My team is in discussions to supply a chemical we manufacture. The interested buyer is in a different country. I'm sure there are trade rules I need to follow. How do I find out what they are?*

**A.** Trade controls are complex and they sometimes conflict with each other. Involve the trade control experts that support your local organization before conducting business internationally.

#### LEARN MORE

- **POLICY No. 1922**  
Foreign Trade  
Law Compliance
- *List of trade control experts:*  
<http://tradecontrol-int.intranet.cnb>



## 5 We safeguard equal opportunity in securities trading

**OUR COMMITMENT** Bayer promotes open, fair and efficient financial markets by protecting its non-public information from unintended disclosure and misuse.

We are careful in how we use and disclose non-public information about Bayer to preserve the value of that information for our business and investors.



### KEY MESSAGE

Personally profiting from non-public information that Bayer entrusts to us is prohibited.

### FAIR DISCLOSURE

Bayer releases information about its business and recent business developments to the financial markets and other interested parties in an orderly fashion, making sure that the disclosure is fair, accurate, timely and complete. For this reason, we limit access to confidential information, which we are to share only on a strict need-to-know basis.

### INSIDER TRADING

We must not buy or sell stock or other financial instruments (“securities”) while we have non-public information, which, if made public would be likely to have a significant effect on the price of the securities (“inside

**Q.** *I learned in one of my project meetings that Bayer is planning to acquire another company. Can I buy stock in that company before the acquisition is announced? What about buying Bayer stock?*

**A.** No. You must wait until news about the deal is officially made public before you buy stock in the acquisition target. Otherwise, you would be making use of “inside information” other investors don’t have, presuming the price of the shares of the acquisition target likely would be significantly influenced once the deal is announced. The same applies for Bayer stock if Bayer’s share price likely would be significantly affected by the deal.

information”). We must not unlawfully disclose inside information to or “tip” anybody for similar purposes. We also obtain approval from a member of the global leadership circle before disclosing inside information to anyone needing that information for his or her work at Bayer.

The prohibition on insider trading applies to both Bayer securities and securities in another company. It also applies regardless of whether or not the trade is to make a profit.

Common examples of inside information include major strategic corporate decisions and transactions (such as acquisitions, divestitures or joint ventures), unexpected successes or failures in the development of new products (such as outcomes of clinical studies, regulatory approvals or non-approvals), unexpected quarter- or year-end financial results and major unexpected business developments.



#### LEARN MORE

- **POLICY No. 2087**  
*Insider Trading Compliance*



#### ASK YOURSELF

- *Could information I have offer me or anyone else an unfair advantage when deciding whether to buy or sell securities of Bayer or another company?*
- *Am I sharing only the information this person really needs to do his or her job for Bayer but not more than that?*

Help limit access to information by using project code names and following IT encryption and security procedures. If you are not sure whether or how much information you can use or share with someone else, contact your manager or the Law, Patents and Compliance Department.

## 6 We keep accurate books and records

**OUR COMMITMENT** Bayer fully and accurately records its business activities and financial transactions to provide a fair and complete picture of its operations, assets and financial condition.



### KEY MESSAGE

Reliable information is critical for good decision-making by management, investors and the public.

We comply with relevant financial reporting and accounting standards and principles, as well as tax laws and regulations. Our internal control system is designed so that all key business processes are followed and transactions are fully and correctly captured.

To ensure our books and records are transparent and reliable for financial, regulatory and other reporting purposes, we:

- truthfully, accurately and completely reflect exactly what occurred and never hide or overstate transactions or alter documents or records
- make information about business developments and results readily available through timely reporting and publication
- retain records and any required supporting documentation in a manner and for as long as statutory or internal rules require, and never destroy records that are relevant to a threatened or pending government investigation or legal proceeding
- use clear and concise language when communicating to reduce the likelihood that the content is misinterpreted, misused or taken out of context



### ASK YOURSELF

- *Have I accurately documented Bayer's business transactions or activities?*
- *Am I keeping the records that I am responsible for retaining for as long as necessary to meet our legal recordkeeping requirements?*

Good recordkeeping matters for everyone, not just accountants.

If you are not sure whether a transaction or activity is properly recorded, ask your manager, Accounting Department or the Law, Patents and Compliance Department.

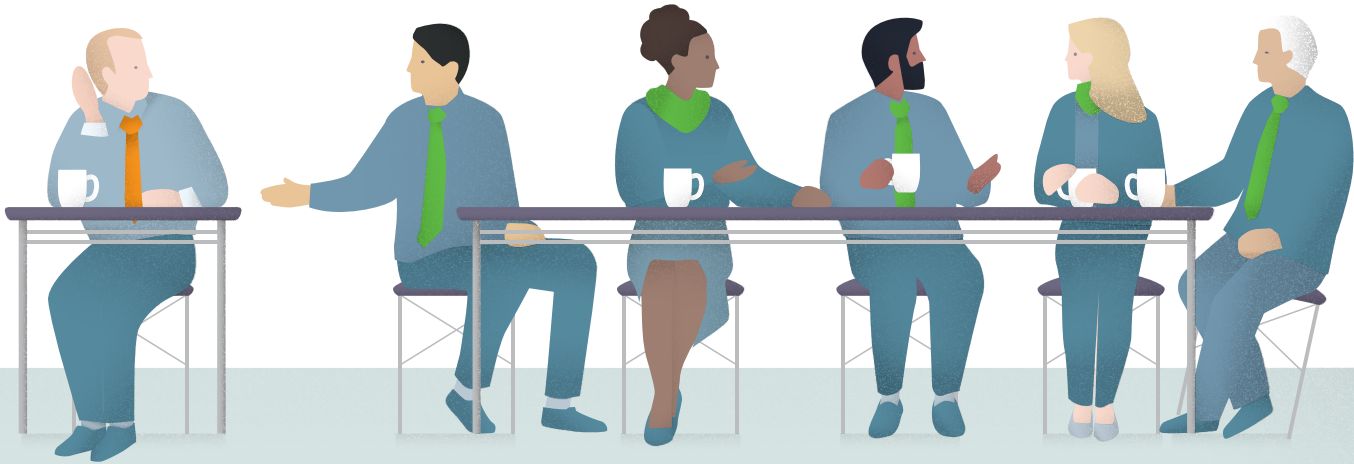


#### LEARN MORE

- **POLICY No. 2043**  
*BA*
- **POLICY No. 1920**  
*Internal Control System over Financial Reporting*
- **POLICY No. 2086**  
*Gross Sales to Net Sales*
- **POLICY No. 2039**  
*ICS Process Documentation*

**Q.** My supervisor asked me to wait until next quarter before recording an expense we incurred. She said it would look better, since we are just at budget in this quarter. Is that OK?

**A.** No. These expenses must be accounted for in the period they were incurred. Otherwise, our records would not be truthful, accurate and complete.



#### KEY MESSAGE

We treat each other fairly and respectfully. If we think something is not right, we speak up. We take a stand without fear of retaliation.

## 7 We treat each other with fairness and respect

**OUR COMMITMENT** Bayer strives to create the best environment for employees to perform, innovate and develop.

We follow certain basic standards of behavior, so that no person is treated unfairly or discriminated against, harassed or subjected to other unprofessional or disrespectful behavior, or retaliated against for sharing his or her good faith concerns.

#### FAIR TREATMENT

We make decisions with regard to employees based on factors such as their competencies, performance in their jobs and behavior in the work environment. We do not make our decisions or treat individuals differently – consciously or unconsciously – based on characteristics unrelated to work, 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.

## RESPECTFUL RELATIONS

We treat others with respect. This includes colleagues and third parties, such as customers, suppliers and officials. Bullying or harassment of any kind is forbidden.

We understand bullying or harassment can create an intimidating, abusive or hostile work environment. The occurrence of harassment or bullying is determined based on the effect it has on the affected person's dignity. Typical forms of bullying and harassment include spreading malicious rumors, humiliating others or setting them up to fail, excluding others from social life at work, and sharing criticism with employees who have no business need to know.

## FREE AND OPEN SHARING OF CONCERNS

Bayer encourages us to share our good faith concerns about discrimination, harassment, disrespectful or unprofessional behavior, or any other possible violations of law, LIFE values or company policies.

Bayer will not tolerate retaliation against an employee who in good faith raises a concern or takes other appropriate action, even if the concerns ultimately prove not to have been justified. An employee must not be threatened or punished either because he or she has expressed a good faith concern or as a way of keeping the employee from expressing his or her concern.

Any form of retaliation is unacceptable.

**Q.** *During a group conversation at lunch, a colleague told a joke that made fun of another colleague who had just transferred from another country. Even though it wasn't aimed at me, I found it offensive but didn't say anything. What should I have done?*

**A.** Even when someone is trying to be humorous or does not mean to be inappropriate, that behavior is still unacceptable if someone might find it hostile or offensive. You should have told the person telling the joke that you found it offensive. Depending on the circumstances you also might feel it best to speak to your manager.



### ASK YOURSELF

- *Did someone's action or statement make you feel uncomfortable?*
- *Did this action or statement make someone else uncomfortable, whether you witnessed it yourself or that person expressed his or her discomfort to you?*

If you are not sure, bring the matter to the attention of your manager, your manager's supervisor, your HR Business Partner, the Law, Patents and Compliance Department, Internal Audit or the Bayer Compliance Hotline.



### LEARN MORE

- **POLICY No. 2090**  
*Fairness and Respect at Work*





### KEY MESSAGE

Intellectual property rights are valuable assets. We protect this value for Bayer. Likewise, we don't incorporate someone else's intellectual property into our own work unless we're certain we have all the rights needed to do so.



### ASK YOURSELF

- *Can I use a list of customer contacts I put together when I worked at another company?*
- *Can I reuse information that I found on the Internet in my activities for Bayer?*
- *Is someone else infringing on Bayer's intellectual property rights, or could Bayer be potentially infringing the rights of someone else?*

If you are not sure, let your manager or the Law, Patents and Compliance Department help you determine what's permissible and what's best to avoid.

## 8 We protect and respect intellectual property rights

**OUR COMMITMENT** Bayer safeguards the value of its research and development efforts and the goodwill and reputation of the company and its brands. Bayer also accepts the valid right of others to do the same.

Intellectual property rights provide innovative companies like Bayer an opportunity to profit from the results of its inventions and recover the cost of its investments. These rights lawfully restrict or prevent others from using Bayer's intellectual property without Bayer's permission.

### PROTECTING BAYER CONFIDENTIAL INFORMATION

To preserve the benefits of Bayer's ideas, efforts and accomplishments, we limit the type and amount of confidential information we share with third parties or in public places, and secure the integrity and availability of our confidential information to prevent it from being lost, stolen or misused.

An employee who has access to Bayer intellectual property or confidential information may only use this information when and as required to perform his or her job responsibilities. If that person is no longer employed at Bayer, he or she must not keep information belonging to Bayer or use Bayer information for other purposes, including for the benefit of a future employer.

#### Common types of intellectual property rights include:

- patents
- trademarks and logos
- copyrights
- industrial processes, methods and designs
- other forms of proprietary information, such as trade secrets and know-how

#### Common types of confidential information include unpublished information regarding:

- research and development efforts
- new product or marketing plans
- business strategies
- financial projections
- merger or acquisition activities



## SHARING CONFIDENTIAL INFORMATION

Before sharing proprietary information or receiving it from someone else, we enter into a confidentiality or license agreement that defines how and under what conditions the information can be rightfully used. We keep information belonging to others separate from our own, so as not to impair Bayer's rights in knowledge we have independently developed.

## RESPECTING THIRD PARTY RIGHTS

We are careful not to use, copy or incorporate the valid, legally recognized intellectual property or confidential information of others unless we have their permission or any other right to do so.



**Q.** *I occasionally like to work at the local coffee shop near my house. What can I do to safeguard Bayer's information?*

**A.** You can avoid inadvertently sharing confidential information while you're off company premises by making sure no one can overhear any business-related phone calls or view your computer screen. Never leave your computer unattended where it could be stolen and always use your VPN secure connection to log onto Bayer systems.

### LEARN MORE

- **POLICY No. 2056**  
*Exchange of Information and Materials*
- **POLICY No. 1435**  
*IT Security*





### KEY MESSAGE

Perceived conflicts of interest can be just as damaging to our reputation as real ones. We should be alert to situations where someone might think the aim of our action, decision or statement is to gain an unfair advantage.

## 9 We act in Bayer's best interest

**OUR COMMITMENT** Bayer employees are careful to separate their own personal interests from those of Bayer.

We make decisions impartially, without letting an opportunity for personal gain adversely affect our judgment, our job performance or our decision-making. When facing a potential conflict of interest, we are expected to disclose the situation immediately to our manager. The manager then decides how to address the conflict.

### EMPLOYMENT OR BUSINESS RELATIONSHIPS WITH RELATIVES AND FRIENDS

We do not allow the existence of a family or personal relationship to influence our decision-making in relation either to an employee or contracts with third parties. This includes, for example, decisions taken with respect to a company owned or controlled by a family member or friend.

When engaging third parties, we use objective criteria such as price, quality, reliability and ability to meet technical standards. We similarly make decisions with regard to employees based on factors such as their competencies, job performance and behavior in the work environment.

**Q.** *My daughter just started working for the event management company that is organizing our next Global Sales & Marketing Meeting. I am on the team that has the responsibility for managing this event. The management company was already on board before she was hired. Does this situation present a conflict of interest?*

**A.** It could. Even situations that might have the potential for or appearance of a conflict of interest must be disclosed promptly. Consult your manager or contact the Law, Patents and Compliance Department, who will advise you on how to handle a situation like this.

### OUTSIDE POSITIONS

As Bayer employees, we must not accept employment from any supplier, competitor or unrelated third party, or provide services on a freelance basis to any of them, without first notifying our manager. We also must not set up our own business without similar prior notice. In some countries, approval may be required.



## GIFTS FROM OTHERS

We must not demand personal benefits such as cash, gifts, hospitality or meals. Doing so could affect our ability to make an objective decision in the best interest of Bayer, in connection, for example, with the negotiation, award or performance of a contract.

We also must not accept personal benefits in connection with the negotiation, award or performance of a contract. We only can accept unsolicited and modest gifts, hospitality or meals when there is no conflict (such as a pending business decision to be made) and we comply with all applicable laws and Bayer policy, including any local policy that may further limit or restrict the receipt of such benefits.

**Q.** *During negotiations with a new supplier, I received an expensive gift. Returning or refusing the gift could be perceived as an insult in my country. What should I do?*

**A.** You must contact your manager or the Law, Patents and Compliance Department. If it is not possible to return the gift for cultural reasons, it could be accepted as Bayer's property or given to charity.



### LEARN MORE

- **POLICY No. 2085**  
*Conflict of Interest*
- **POLICY No. 2025**  
*Incentives (applicable for Germany)*
- **POLICY No. 2075**  
*Internal and External Communication*
- **POLICY No. 2030**  
*Social Media @Bayer*
- **POLICY No. 2080**  
*Business and Private Use of Electronic Communication Systems*

## SOCIAL MEDIA

When we engage in social media for business communications, we must get approval from Communications before posting in the name of Bayer, use the platforms responsibly and in the best interest of Bayer, and never post or publish abusive or offensive content or internal confidential information. If we discuss work-related topics in our personal activities on social media, we must make it clear that we are expressing our own personal opinions and not reflecting the views of Bayer.



### ASK YOURSELF

- *Could others think I am personally benefitting from what I am planning to do?*
- *Do I "owe" the giver if I accept this gift?*

It can be a challenge to distinguish between what is appropriate and what isn't. If in doubt, consult your manager or the Law, Patents and Compliance Department for guidance.

## 10 We protect and secure personal data

**OUR COMMITMENT** Bayer strictly adheres to the laws designed to protect and secure the privacy and confidentiality of information about individuals. This includes personal, health, family, financial and similar information.

We are careful not to disclose personal data, within or outside the company, except when we are legally permitted and have a legitimate business need to do so.

### PROPER HANDLING OF PERSONAL DATA

As part of our normal business operations, we may collect, process and/or transfer personal data about various individuals, including customers, employees, patients, vendors or other business associates. We handle personal data only to the extent we have a specific, definable business need for the information and in compliance with:

- applicable data privacy laws, including those that impose additional protections for personal data considered particularly sensitive
- consent of the individual whose data we handle, when consent is needed
- statements about our privacy practices, such as those Bayer provides to users of its websites and mobile apps.

Types of sensitive personal data that require special protection are defined by local law. Such data can include government identification number, financial account information, date of birth, home address, health information, labor union or political affiliation or criminal record. We take extra care when handling these types of data.



### KEY MESSAGE

At home, we protect information that others could use to invade our privacy or steal our identity, like our home address, government identification number, and health information. At work, we handle others' personal data with similar care.

**Q.** *A supplier wants to send promotional materials to people who registered on our website to participate in a Bayer event. Can I provide the supplier with their names and contact information?*

**A.** Bayer's privacy policy on the Internet states that we share information that is submitted on our websites only with the submitter's consent, or when required or allowed to do so by law. Unless these conditions are met, we cannot share this information with the supplier.



## LEARN MORE

- **POLICY No. 1915**  
Data Privacy Compliance
- List of Data Privacy Managers:  
<http://dataprivacy-int.bayernet.cn>

## PREVENTING DATA BREACH AND DATA LOSS

We are required to take reasonable action to protect personal data from a breach or loss. A data breach occurs when an unauthorized person gains access to personal data as a result of intentional or unintentional acts by a Bayer employee or a third party. A data loss occurs when personal data is lost or mistakenly destroyed, as might happen when a laptop containing a copy of unencrypted information is misplaced or stolen.

Some of the steps to minimize the risk of data breach or data loss include requiring prior approval by the local Law, Patents and Compliance Department before transferring data, and using technical measures such as encryption and access controls. Should a data breach or loss occur, Bayer will promptly notify government authorities and/or any affected individuals as and when required by applicable law.

**Q.** *We use a third party supplier to host a Bayer-owned website. I heard that this supplier's network was hacked and the hackers might have gotten access to users' email addresses and passwords. I am responsible for administering the website. What should I do?*

**A.** Immediately notify the Data Privacy Manager so that Bayer can respond quickly and responsibly to this suspected data breach. A data breach is a serious event. Don't try to handle it on your own.



## ASK YOURSELF

- *Do I need access to this data and if so, am I handling it as required?*
- *Must I protect the data I am handling? Is the data sensitive, such that I would want to secure it if it belonged to me?*
- *Have I done what is required to secure the data?*
- *Would it harm anyone if I lost or mistakenly disclosed the information?*

Privacy laws vary by country. The laws that apply depend upon where and how the information is handled, and will determine what to do when a breach or loss occurs. Your manager, Data Privacy Manager or the Law, Patents and Compliance Department can advise you as to which laws apply and how best to comply.









# Our Compliance Management System

Bayer maintains a comprehensive system designed to promote and reinforce compliant behavior. The elements of this system foster a positive compliance culture throughout our worldwide organization and help ensure integrity is part of every employee's daily business activities.

## RISK IDENTIFICATION AND MITIGATION

Compliance, Internal Audit and Risk Management functions work together with the business at global and local levels to proactively identify and address the most significant compliance risks. Based on the identified risks, Bayer uses the following components to incorporate preventative measures into daily business activities:

### *Policies*

Bayer policies guide employees on how to put the principles of this Corporate Compliance Policy into practice. By establishing clear standards and rules, our policies help employees carry out their job responsibilities in compliance with applicable laws and regulations.

### *Procedures*

Bayer designs and implements specific methods at global and local levels that help employees adhere to Bayer policies in their daily business activities and prevent potential violations of law.

### *Training*

Bayer targets training based on job responsibilities so that employees receive guidance about the specific compliance topics and risks most relevant to their positions. By reinforcing job requirements and expected behaviors, Bayer strives to avoid violations and proactively address its most significant compliance-related concerns.

### *Monitoring*

Bayer performs compliance assessments on a regular basis to ensure the implemented measures are effectively mitigating the identified compliance risks.

### *Reporting*

Bayer provides a global Compliance Hotline, administered by an independent external service provider, as a safe and secure means for employees, customers and others to confidentially (and anonymously where permitted by local law) report their compliance concerns. The Compliance Hotline can be reached 24 hours a day, seven days a week via telephone, email and internet.

### **Communication**

Bayer communicates with employees through multiple channels to ensure the principles of business conduct, policies and procedures are widely known. The goal is to equip employees with the information, resources and guidance they need to do their jobs in a compliant manner.

### **Investigations and Audits**

Every compliance incident brought to the attention of the compliance organization is assessed and, if required, investigated in a timely manner. Bayer's compliance organization conducts investigations objectively. It protects the confidentiality, dignity and fair treatment of those involved and those who are witnesses to the matter, while assuring the integrity of the investigation. Employees are required to cooperate fully in any investigation. Employees involved in compliance violations may be subject to specific sanctions. In addition, other measures such as process improvements may be implemented to mitigate identified risks. Additionally, compliance program audits proactively and systematically evaluate the implementation and effectiveness of the compliance program, identify risks and recommend measures for adopting best practices.

Bayer continually evaluates and improves the effectiveness of its compliance program in light of the current global and local business and legal environment.



#### **LEARN MORE**

- **POLICY No. 2029**  
*Management of Compliance Incidents*
- **POLICY No. 1968**  
*Compliance Organization*
- *Compliance Charta*

### **OUR COMPLIANCE ORGANIZATION**

A worldwide compliance organization, headed by the General Counsel of Bayer AG as Group Compliance Officer, supports our overall compliance approach.

Every country or group of countries where Bayer does business has a Head of Compliance responsible for the local implementation and effectiveness of our compliance management system. These compliance experts provide guidance, assess and address risks, conduct compliance training and investigate any alleged compliance violations.

Our Compliance Charta provides more details on the objectives and mission of the compliance organization. It provides guidance on how to integrate compliance into the business based on partnership, dialogue and transparency.

# Masthead

**PUBLISHER:**

Bayer AG  
Law, Patents & Compliance  
51368 Leverkusen  
Germany

**DATE OF PUBLICATION:**

July 1, 2016

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