

## Strategy and Management

# Defining, handling and living responsibility

**Bayer's products and services are designed to benefit people and improve their quality of life. The company wholeheartedly endorses the principles of profitable and at the same time socially and ecologically sustainable development and strives to act as a good corporate citizen worldwide. We have developed a new Mission Statement, and adjusted and newly formulated our code of conduct and numerous directives accordingly, thus further optimizing our management system.**

Bayer's technical and commercial expertise has always entailed a duty to work to the benefit of humankind and society at large and to make a sustainable contribution to environmentally friendly development. We define commercial success and active responsibility for the environment, our employees and society as corporate objectives of equal rank.

the coming years. The values and leadership principles formulated in the Mission Statement serve as a basis for the day-to-day activities of our employees. These values include a will to succeed; a passion for our stakeholders; integrity, openness and honesty; respect for people and nature; and sustainability of our actions.

## **The new Mission Statement: Orientation for employees worldwide**

The reorganization of Bayer prompted us to newly formulate our Mission Statement and our values over the past two years. Following a period of major change in our company, we wanted to provide clear orientation to our workforce. The Mission Statement "Bayer: Science For A Better Life," which we formulated in 2004, sets the course for the future throughout our enterprise all over the world. Employee surveys have shown that we have been successful in this endeavor.

As a guideline for our corporate strategy, the Mission Statement shows our stockholders, customers and the public what they can expect from Bayer in

## **Our Values**

**A will to succeed**

**A passion for our stakeholders**

**Integrity, openness and honesty**

**Respect for people and nature**

**Sustainability of our actions**

In 2004 we presented the Mission Statement to our workforce through a worldwide campaign. Across the globe, supervisors explained the Mission Statement to the employees in their charge in one-on-one conversations and discussed with them Bayer's strategy and values. After all, it is up to everyone who works at Bayer to act responsibly – although our managerial employees naturally play an important part in this process by serving as an example. In order to support our managerial staff in this endeavor, we also published a Policy in 2004 entitled "Values and Leadership Principles – Living our Values" that describes the expectations of the Group Management Board and establishes a framework for talent management within our company. The process includes the "Leadership Performance" and "360° Feedback" initiatives, as well as programs for selecting and promoting future managers.

The Board of Management personally informs new senior executives about Bayer's sustainability strategy and other issues during a yearly seminar. We have also distributed to our 330 top executives the "Guidelines for Managerial Employees" published in February 2006 by the German managers' association DMV. This practice-oriented manual shows managers how to take ethical values into consideration in difficult situations and thus supports our internal information and training measures for value management.

#### **Program for Legal Compliance:**

##### **Code of conduct updated**

Our code of conduct, the "Program for Legal Compliance and Corporate Responsibility at Bayer" (Corporate Compliance Program) was also revised and distributed to all employees worldwide in

2004. This program contains binding, Group-wide rules for our conduct in the market and toward competitors and each other.

All Bayer employees are required to report without delay any violations of the Compliance Program. If necessary, they can use a telephone hotline to anonymously contact a law firm appointed by us as an ombudsman. Compliance Committees have been established at Bayer AG and each of its subgroups and service companies. Each committee includes at least one legal counsel. A corresponding organization has also been put in place at foreign affiliates through the appointment of Compliance Officers or the establishment of Compliance Committees. The role of these committees and officers is to initiate and monitor systematic training and other measures necessary to ensure implementation of the Corporate Compliance Program. They are also responsible for investigating any suspected violations of the Corporate Compliance Program and, if necessary, taking steps to rectify them. All Compliance Committees and Compliance Officers report at least once a year to a Coordination Committee chaired by the Chief Financial Officer on any violations notified to them, any investigations carried out and their outcomes, and any corrective or disciplinary action taken. They also report on the systematic training and implementation measures they have initiated to foster compliance.

#### **www**

- 1 Mission Statement: "Bayer: Science For A Better Life" (PDF file)
- 2 Program for Legal Compliance and Corporate Responsibility at Bayer (PDF file)

## Corporate governance: In line with all recommendations

As clear and transparent decision-making structures are a key requirement for responsible corporate management, Bayer fully complies with all recommendations of the German Corporate Governance Code, including those in the expanded version of the code dated June 2005. We publish a statement of compliance in our Annual Report and on our website.

Bayer AG is headquartered in Germany and is thus subject to the regulations of German corporate law, despite also being listed on the New York Stock Exchange (NYSE). A basic principle of German corporate law is the two-tier governance system, comprising a Board of Management that serves as a leadership body and a Supervisory Board that oversees the activities of the Board of Management.

### **Corporate committees: Anchoring transparency and codetermination**

Strategic management and business operations are kept separate in the Bayer Group. Bayer AG defines the common values, objectives and strategies of the company as a whole. The subgroups and service companies operate independently under the leadership of the management holding company, which is headed up by four Management Board members charged with the strategic management of the entire Group. The Corporate Center supports the activities of the Group Management Board and also performs cross-subgroup functions.

The Supervisory Board is comprised of 20 members. Under the German Codetermination Act, half the members of the Supervisory Board are elected by the stockholders, and half by the employees. The committees set up by the Supervisory Board – the Presidial Committee, the Audit Committee and the Human Resources Committee – operate in compliance with the German Stock Corporation Act and the German Corporate Governance Code, and the Audit Committee aligns itself additionally

to the U.S. Sarbanes-Oxley Act (SOA) and the rules of the New York Stock Exchange (NYSE).

### **Sarbanes-Oxley Act: Requirements of the U.S. financial market satisfied**

As Bayer is also listed on the New York Stock Exchange, we have brought our corporate governance into line with relevant U.S. regulations. Bayer AG has thus set up a Disclosure Committee that examines and approves the publication of financial information. We have also adjusted the tasks of the Audit Committee of the Supervisory Board to the specifications of the SOA and revised the rules governing relations between the company and the auditor of our financial statements. In some cases, however, further adjustments are necessary: For example, Bayer is currently expanding its internal control system for financial reporting according to the recommendations of the U.S. Securities and Exchange Commission.

Since 2002 we have individually published on our website the remuneration of the members of the Board of Management and the Supervisory Board, as well as their stock transactions requiring disclosure. In line with the principle of fair disclosure, we report significant changes on the Internet without delay and make such information available to all our stockholders and all other target groups. We also publish on the Internet countermotions filed at the Annual Stockholders' Meeting.

In accordance with the German Control and Transparency in Business Act (KonTraG) of 1998, Bayer maintains an effective system to ensure early identification and communication of potential risks and rapid response to them. The basic principles of this system are established in the Group-wide Risk Management Policy.

[www](#)

**3** Statement of compliance with the German Corporate Governance Code (PDF file)

## Sustainability management: Lived in all areas of the company

Sustainable development is a core activity at Bayer; it is lived in all parts of the company. Group-wide control of this task is handled by the Bayer Corporate Sustainability Board, the most important committee for sustainability management at Group level. The Corporate Sustainability Board is made up of the members of the management boards of the subgroups responsible for research and technology and the heads of the Corporate Center departments Corporate Human Resources & Organization, Communications and Governmental & Product Affairs. Chaired by the Group Management Board member responsible for Innovation, Technology and Environment, this body meets quarterly to jointly establish the sustainability strategy and objectives, adopt Group directives and decide on key initiatives.

On the basis of the values and leadership principles, we have developed a Group-wide Sustainable Development Policy (see page 17). This policy is enacted through corporate directives and positions, our obligations and our sustainable development performance management system. It applies in all countries and regions of the world in which Bayer is present.

### Responsible Care: Bayer is one of the first companies to sign the new Charter

In 1994 Bayer made a commitment to uphold the Responsible Care principles of the chemical industry. These principles define responsible conduct toward people and the environment in all our activities, including our products along their entire life cycle. We endorsed these principles as early as 1986 in our "Policy guidelines for environmental protection and safety." We were one of the first companies in the world to renew this obligation to the Responsible Care initiative, with the signing by our Management Board Chairman of the "Responsible Care Global Charter" of the International Council of Chemical Associations (ICCA) in January 2006.

New features of these principles include in particular the consistent application of product stewardship across the entire value-added chain, and a management system approach to all aspects of safety, health protection and environmental protection. Another component of the Global Charter is more intensive dialogue with the public. The charter has also given us the opportunity to firmly



*The graphic shows how the issue of sustainability is implemented within the Bayer Group: The Corporate Sustainability Board controls sustainability management and represents the Group's interests in this area both externally and internally. It is supported in terms of planning and implementation by the Sustainable Development Planning Group.*

embed in our policy the implementation of Responsible Care principles in our subgroups and service companies.

**Management systems: Integrating health, safety, environmental protection and quality**

All subgroups and service companies maintain effective management systems for health, safety, environmental protection and quality (HSEQ). Also in place are systems and rules for specific requirements of individual subgroups and service companies, such as Good Manufacturing Practice (GMP) for drug products at Bayer HealthCare.

As a result of our realignment into a management holding structure, we have supplemented these systems with a Group-wide procedure specified in our "Directive on Health, Safety, Environment and Quality (HSEQ) Audits," which took effect in October 2005.

An important role with regard to HSEQ is played by our Group-wide health protection activities. At the

sites in Leverkusen, Krefeld-Uerdingen and Dormagen, for example, the Health Protection and Occupational Safety (GHA) Department within the Safety/Environmental Protection/Analytics Business Unit of Bayer Industry Services (BIS) performs a number of services in this connection. The goal of our comprehensive health management system is to identify at an early stage and prevent potential health risks. Outpatient clinics run by BIS are open around the clock so that employees can quickly receive initial medical treatment in cases of emergency.

**Supplier management:  
New policy reduces procurement risks**

Approximately 40,000 different companies supply us with roughly 500,000 raw materials, products and services from nearly 80 countries around the world. Most of the raw materials are aromatic compounds, olefinic products, organic intermediates, inorganic chemicals or active substances. We receive about 95 percent of our procurement volume from member states of the Organization for

*Sustainability management is integrated into all levels of the Bayer Group.*

Group level: general	Bayer Values		
	Leadership Principles		
	Policies		
Group level: sustainability	Sustainability Policy		
	<b>Commitments to:</b> – Responsible Care – Global Compact – World Business Council for Sustainable Development – corporate social responsibility	<b>Positions and policies on relevant basic issues</b>	<b>Sustainability management</b> – goals – reporting – steering
	<b>Policies, goals and strategies</b> HSEQ management systems and audits Responsible Care programs and initiatives Opportunity and risk management		
Subgroup and service company level (including regions and countries)			

Economic Cooperation and Development (OECD), which adhere to minimum ecological and social standards. Yet we have also taken precautions for deliveries from non-OECD countries: Our Group-wide procurement organization – the Bayer Procurement Community – supports our commitment to observe “internationally recognized ethical principles in the areas of human rights, labor conditions (includes the fight against child labor), environmental protection and anti-corruption,” as defined in the “Procurement Community Policy” revised in 2005.

In the “Supplier Relationship Management System” (SUPREME) introduced in the spring of 2003, our Group-wide procurement organization has at its disposal an instrument that enables us to evaluate our suppliers not just as regards quality and pricing, but also according to ethical aspects: In the pre-selection of suppliers, we check whether they comply with the United Nations’ Universal Declaration of Human Rights and the core labor standards of the International Labor Organization (ILO). Further aspects are also taken into account depending on the area and subgroup. For example, we require construction companies to provide certificates of international safety, health and environmental protection standards (e.g. SCC = Safety Certificate Contractors). If these companies do not satisfy our requirements, they are generally excluded from the selection process.

In newly industrializing countries, however, we are increasingly relying on a cooperative approach: By working together with the Abrinq Foundation in Brazil, for example, we were able to abolish child labor among one of our suppliers. We are taking a similar approach in India (see page 51).

## Bayer Group Sustainable Development Policy

*We at Bayer carefully develop products and services specifically designed to benefit people. In this endeavor, we are committed to achieving the economic, ecological and social responsibility objectives of Sustainable Development. Sustainable Development is a globally accepted approach to sustaining economic growth without harming our planet or exhausting its resources while improving the quality of life for its current and future inhabitants.*

*We believe that practicing Sustainable Development makes good business sense. In all our operations we consider each of these actions in making business decisions that demonstrate our commitment to the global Sustainable Development effort:*

*Our business is the means by which we combine human ingenuity and natural resources to benefit mankind. Hence, economic responsibility dictates that we manage our business profitably to help drive economic growth and prosperity. We believe that innovation is essential to achieving sustainable economic success. We also invest extensively in research, development and new technologies as a foundation for future success.*

*Bayer is committed to continually improving our ecological performance in accordance with the Global Charter Responsible Care as our product lines and related manufacturing operations evolve. We will continue to monitor how our operations impact the environment and strive for continuous improvements. The health and safety of our employees, neighbors, customers, consumers and stakeholders are paramount, as is our continued stewardship of the environment and the quality and safe handling and use of our products.*

*We will continue to address our social responsibilities through our commitment to help our employees, customers and community neighbors meet their changing personal and professional needs. We also will monitor and address the impact our business has on our plant neighbors, local communities and global society. To this end, we will continue to seek an active, open and honest dialogue with all stakeholders in appropriate forums. The Bayer Values and Leadership Principles are based on preserving and honoring the fundamental rights of every individual. Bayer will continue to seek to promote and protect human rights as defined in internationally accepted humanitarian standards set forth by the United Nations<sup>1</sup>.*

*This Sustainable Development approach to conducting our business aligns with Bayer’s Mission Statement: “Bayer: Science For A Better Life.”<sup>2</sup> To assure that we continue to demonstrate continual improvement in the Economic, Ecological and Social Responsibility pillars of Sustainable Development, we have introduced customized management systems to monitor and control progress, document the achievement of objectives, and optimize employee efforts in these areas. And we remain committed to truthfully report on our sustainability performance to all interested parties.*

<sup>1</sup> See “Universal Declaration of Human Rights of the United Nations,” December 1948

<sup>2</sup> See Corporate leaflet “Bayer: Science For A Better Life,” July 2004

**Stakeholder dialogue:  
Group-wide policy being developed**

We traditionally maintain a particularly intensive dialogue with the communities in which our production sites are located. Residents receive insight into our operations and are able to discuss issues with Bayer experts during guided tours of our facilities for visitor groups, at events for schoolchildren or on our annual “open house” day. At “BayKomm” – the Bayer Communication Center, which opened in 1991 at our headquarters in Leverkusen – we hold events that address a broad section of our stakeholders. Each year about 140,000 guests from Germany and around the

world respond to our invitation to enter into dialogue with the company.

In addition to traditional groups such as customers, employees, community members and authorities, further external stakeholders are important to us at a national and international level. These include investors, governmental representatives, non-governmental organizations (NGOs) and consumer groups. We aim to expand and further systematize dialogue with these stakeholders in the coming years. After all, on the one hand their opinion of our activities has an increasingly important impact on our business success. And on the other

**Our path to becoming a sustainable company**

	Before 1993	1993 – 1994	1995 – 1997	1998 – 1999
<b>Strategic steps</b>	<p><b>1983:</b> “Principles of the new pension policy” for company pension plans (existing at Bayer since 1897)</p> <p><b>1986:</b> “Policy guidelines for environmental protection and safety”</p>	<p><b>1994:</b> “Guidelines for Responsible Care in Environmental Protection and Safety” (Responsible Care Initiative)</p>	<p><b>1997:</b> Agreement to Safeguard the Future of German Sites and Employment at Bayer AG (Solidarity Pact I)</p>	<p><b>1999:</b> CEO’s commitment to the 10 Responsible Care principles of the German Chemical Industry Association VCI</p> <p><b>1999:</b> “Guidelines for Legal Compliance and Corporate Responsibility at Bayer”</p>
<b>Projects and measures</b>	<p><b>1987:</b> Launch of a DM 3 billion program to improve environmental protection</p> <p><b>1987:</b> Launch of a continuing education program on environmental protection and occupational safety</p> <p><b>1991:</b> Publication of basic data sets compiled since 1987 for the evaluation of existing chemicals in circulation before 1981 whose annual production volumes exceeded 1,000 metric tons</p>	<p><b>1994:</b> Interim report on the continuing education program “Environmental Protection and Occupational Safety,” launched in 1987: More than 40,000 employees have already received over 0.5 million hours of seminar training</p>	<p><b>1995:</b> First environmental declaration by a large German chemical facility at Bayer’s Dormagen site, in accordance with the E.U. Eco-Audit Regulation</p> <p><b>1996:</b> Agrovida program is introduced to improve the living and working conditions of rural laborers in Brazil. Specially developed concepts teach the economical, safe and environmentally friendly handling of crop protection products. About 25,000 families take part.</p>	<p><b>1998:</b> Responsible Care is made a focus throughout the Bayer Group’s workforce for 1998</p>
<b>Communication</b>	<p><b>1976:</b> “Bayer in Economy and Society” report</p> <p><b>1987:</b> First international press forum to present Bayer’s perspective on the environment</p> <p><b>1991:</b> Opening of the “BayKomm” communication center in Leverkusen</p>	<p><b>1993:</b> First Environmental Report</p>	<p><b>1995:</b> Second Environmental Report, all sites included for the first time</p> <p><b>1997:</b> Third Environmental Report</p>	<p><b>1999:</b> Responsible Care Report</p> <p><b>1999:</b> Bayer stock included for the first time in the Dow Jones Sustainability Index (DJSI) and Storebrand Principle Funds</p>

hand, we hope the dialogue with them will provide us with insight into how we can increase our contribution to sustainable development and thus reduce risks. By the beginning of 2007, therefore, we aim to develop a Group-wide policy for stakeholder dialogue.

In October 2004 we became the first German chemical company to join the Global Reporting Initiative (GRI) as an organizational stakeholder. This underscored our willingness to contribute our own experience in sustainability reporting to the international discussion surrounding the further

development of the GRI guidelines and in turn learn from other companies. The first conference of GRI stakeholders in Germany took place in December 2005 at Bayer's headquarters in Leverkusen. Discussed at this conference were the new GRI guidelines for sustainability reporting, in the development of which Bayer participated intensively as one of just a few German companies.

**WWW**

- 4 Responsible Care (PDF file)
- 5 Responsible Care Charter
- 6 Further information on Bayer's sustainable development policy
- 7 Abrinq Foundation, Brazil
- 8 Bayer Communication Center "BayKomm" in Leverkusen
- 9 Global Reporting Initiative

2000	2001	2002
Bayer becomes one of 45 founding members of the "Global Compact," an initiative of U.N. Secretary General Kofi Annan	"Guidelines for Responsible Care in Environmental Protection, Health Protection and Safety"	Agreement with "Medicines for Malaria Venture" concerning the development of a new malaria drug to help developing countries
All production sites – more than 200 in total – registered in the Bayer Site Information System (BAYSIS®) introduced in 1999 to determine the HSE key performance indicators	Bayer stock included for the first time in the FTSE4 Good Global 100 and the ASPI Eurozone Index	Introduction of a Waste Management Information System (AMIS)
Media forum on environmental protection and safety: "Bayer's Perspective on Ecology 2000"	First Sustainable Development Report	Bayer Management Board member Dr. Oels visits the World Summit for Sustainable Development in Johannesburg, South Africa, to appeal for safer handling of chemicals.

## Objectives: Much has already been achieved

We have made significant progress in recent years on our path to becoming a sustainable company. Today our business focuses on three innovative and fast-growing sectors, each of which can make an important contribution to sustainable development worldwide. In our Sustainable Development Report 2004, we presented in detail the sustainability objectives for the Bayer HealthCare, Bayer Crop-Science and Bayer MaterialScience subgroups. On our Internet site, you can find out what we have already achieved. You will find our new objectives on pages 84 et seq.

Two years ago we established main points of focus in various areas. Our goals were:

- to systematize sustainability management,
- to improve our performance in the areas of environmental protection, occupational safety and health protection,
- to develop sustainable products,
- to help improve working conditions worldwide,
- to promote environmental awareness, education and research.

We consistently addressed these aspects over the past two years and achieved our objectives in many cases, for example through the formulation of our Mission Statement, the expansion of our HSEQ management systems, our commitment to selected initiatives such as the Global Compact and the Young Environmental Envoy Program we implement in the context of our partnership with UNEP. We were also active in a number of areas in which we had not defined explicit goals: We have made at least some progress in our stakeholder dialogue and in the improvement of working conditions through strict supplier management. However, there remains much to be done these areas (see Group Sustainability Program on page 84 et seq.).

[www](#)

10 Objectives published in our Sustainable Development Report 2004

### Our path to becoming a sustainable company

	2003	2004	
<b>Strategic steps</b>	Development of a strategy for sustainable agriculture	Cooperation agreement with UNEP to strengthen the environmental awareness of young people Formulation of a Mission Statement, Values and Leadership Principles for the Bayer Group	
<b>Projects and measures</b>	Definition of key performance indicators for Health, Safety and Environment (HSE) to steer our HSE performance.	Sustainability Committees anchored in the Bayer Group organization, first meeting of the Corporate Sustainability Board Organizational stakeholder in the Global Reporting Initiative	
<b>Communication</b>	Participation by Bayer in the 8th Asia Pacific Responsible Care Conference (APRCC) in Seoul. 500 delegates from Asia exchange experience in the area of Responsible Care	Second Sustainable Development Report	

## Outlook: More consistent exploitation of sustainability potential

In addition to the continuation of our activities in the areas of supplier management and stakeholder dialogue, we aim to more intensively concentrate on the global exploitation of sustainability potential in our subgroups in the next two years. Many of our products in the HealthCare, CropScience and MaterialScience subgroups already make a valuable contribution to sustainable development. Our goal for the next two years is to systematically support and further develop products that have strong potential through research collaborations and partnerships. We hope this will enable us to achieve good ratings from analysts and investors for whom the future orientation of companies has become a key factor. After all, another goal of Bayer is to continue to be represented in sustainability indices and funds.

Central milestones and targets on our road to becoming a sustainable company are presented in the table below. It describes the direction in which we are headed through the year 2010.

2005	2006	by 2010
Directive on Health, Safety, Environment and Quality (HSEQ) Audits	Sustainable Development Policy	See Sustainability Program, p. 84 et seq.
A global tuberculosis (TB) study program for Bayer's active substance moxifloxacin is launched, together with the product development partnership the TB Alliance.	Launch of the Group-wide innovation initiative "Triple-i"	
Inclusion in the Climate Leadership Index of the Carbon Disclosure Project Bayer presented with the "Low Carbon Leaders Award" by the climate protection organization "The Climate Group" at the Climate Summit in Montreal.	Third Sustainable Development Report	

## Interview with Dr. Wolfgang Plischke

# “We can only survive in the future through innovation”

**Dr. Plischke, on May 1, 2006, you became the Bayer Management Board member responsible for Innovation, Technology and Environment. Where do you plan to particularly make your mark?**

It is of special importance to me to make clear how closely these themes are connected to one another. All three areas are crucial to the entire enterprise's ability to survive in the future. One of our most important tasks is to convert research results into innovations such as environmentally friendly production technologies and high-quality products. Innovation is essential to safeguard Bayer's competitiveness and forms the basis of our future success. In this connection, we also must not forget our responsible conduct as a good corporate citizen.

**Does this mean you view responsible conduct as a contribution to value-added?**

Absolutely. A company's value-added is not limited to economic and financial success. It goes without saying that we create value primarily through our products and services, which safeguard society's prosperity. Yet a company also creates lasting benefits through its activities and achievements in the social sphere.

**Does this position correspond with the stockholders' expectations?**

Yes, because today it is indisputable that a significant proportion of a company's value is connected with its image and acceptance in society. And this image in turn is heavily influenced by the company's responsible conduct and its efforts on behalf of society and the environment. When we farsightedly adhere to ecological and social principles, we do not just perform a service to society – we also ensure that in the long run our company will enjoy a good reputation. This makes Bayer very attractive for financial markets that are oriented around ethical and ecological criteria, which are becoming increasingly important in the international arena. This shows that economy and ecology are

consistent with one another – and can even be mutually beneficial.

**How can you tell?**

A company's corporate social responsibility performance and its efforts on behalf of sustainable development today are evaluated by professional rating agencies. As a result of our commitment, Bayer is represented in the most important relevant indices, such as the Dow Jones Sustainability Indices or the Climate Leadership Index – the first global climate protection index. I believe this is partly an indication that sustainable action pays off economically too.

**Yet before an activity begins to pay off, it must first be certain that sustainable development is lastingly and intensively pursued in all areas of the company. How can you ensure this?**

A key role here is played by our sustainability management, which is based on a systematic approach. Building on our Values and Leadership Principles, we have developed a Sustainable Development Policy that is valid throughout the Bayer Group. It is substantiated through Bayer Group directives and positions and through our sustainable development performance management. We embody this in all countries and regions in which we are present. After all, we want our production processes and products to be environmentally compatible and safe – along their entire life cycles.

**Which products in particular already specifically promote sustainable development?**

First of all, in this connection we should remember that our three subgroups Bayer HealthCare, Bayer CropScience and Bayer MaterialScience pursue one goal above all: We want to lastingly satisfy the basic needs of humankind and help to improve quality of life. This means that we develop innovative medicines to treat cardiovascular disease and cancer, for example. At the same time, however, we also help to fight epidemic diseases such as African sleeping sickness and Chagas' disease, which are particu-

larly widespread in poorer countries. We regard this, too, as a measure of our social responsibility. We are also presented with tremendous opportunities – for example with regard to overcoming the problem of world hunger – as a result of biotechnology, which will definitely be one of the central technologies of this century. The whole field of nutrition is of course important to us in connection with sustainability. Through high-yielding seed, environmentally compatible seed dressings and innovative crop protection products, we want to achieve an urgently needed increase in agricultural yields.

But of course our MaterialScience subgroup also bears a commitment to sustainability. This is evident for example in innovative materials for lightweight construction and thermal insulation, both of which make an important contribution to climate protection. We also should not forget the entire field of production: Here we are constantly optimizing our existing processes and developing new technologies to enhance energy efficiency and conserve resources.

**The social responsibility you have talked about of course has a lot to do with corporate strategy – yet the convincing realization of this strategy is closely linked with innovative capability and dedicated employees. This prompts the question: How are you promoting the necessary innovative capability on the part of Bayer’s employees?**

This is indeed a central theme for us. After all, Bayer owes its reputation as an inventor company in large part to the creativity of its employees. It is they who for decades have succeeded in furnishing research results that have secured Bayer a leading position among the world’s most innovative companies. And this should remain so in the future. The new Group-wide innovation initiative “Triple-i” – which stands for inspiration, ideas, innovation – should also be viewed against this background. The primary goal here is to exploit the creativity of our employees for the development of

new business ideas. At the same time, however, we want to create a new culture of innovation within the company and win over everyone to this cause.

**Does innovation play a special role in your efforts on behalf of society?**

Yes, very much so. The positive development of education, science and research is very important to us, as it is the foundation for the steady further development of a society. That’s why we have initiated a broad range of scientific programs to promote education and research. These include, for instance, our educational initiative “Making Science Make Sense,” which aims to instil in schoolchildren a fascination for science. This program was first launched in the United States, and it has now been expanded to Japan. More than 1,200 Bayer employees in these two countries thus volunteer their time to engage in a constant dialogue with schoolchildren and teachers. We have initiated similar projects around the world. And through eight different Bayer-sponsored foundations, we also provide targeted support in vocational training to young people around the world, as well as assistance for outstanding scientists, for example. In this way, our corporate social responsibility is aimed at complying with our philosophy: “Bayer: Science For A Better Life.”

**Speaking of dialogue: How important to Bayer is communication with your various stakeholders? How do you address these target groups?**

Very openly, because dialogue with them is indeed extremely important to us. This is evident in part through our Sustainable Development Report, in which we transparently explain our values, our management and our actions.



*Dr. Wolfgang Plischke was appointed to the Bayer Management Board on March 1, 2006. Since May 1, 2006 he has been responsible for Innovation, Technology and Environment, as well as for the Asia region.*



# A better future for the stingless bee

## Cristiano Menezes **Brazil**

*The "Triangulo Mineiro" region of Brazil is one of the areas hardest hit by exhaustive cultivation. In order to provide cattle herds with sufficient grazing land, enormous forest areas are cleared. This in turn is shrinking the habitat for the stingless bee that lives in these forests. Cristiano Menezes works on behalf of this valuable insect, on the existence of which various indigenous plants also depend. He has collected hundreds of signatures in support of saving the forest areas of the Triangulo Mineiro and has since turned this list over to the Brazilian government. Cristiano is optimistic: "Maybe the stingless bee will soon once again have a future in the rain forests of Brazil."*

***Photo: Cristiano Menezes from Brazil in front of the Institute for Plant Diseases in Monheim***