





'We are committed to sustainability combined with an assurance of ethical and social responsibility and corporate citizenship, whilst considering the best interests of our stockholders.'

Commitment with Sustainable performance

Whenever we consider the future of human kind, our first thought is of sustainability. It is something that goes well beyond simply the word's meaning and it has become increasingly relevant in our lives. Assuring that future generations have the same opportunities of a better standard of life must be the commitment of everyone.

As a global company that has been in operation for more than 150 years, we feel we have a major responsibility to society and future generations. That is why sustainability is a major part of our corporate strategy and is a consideration in everything we do. We at Bayer believe that we can only achieve success through economic growth, innovation and and a balance of environmental and social responsibility.

We are a Life Sciences organization, which is committed to overcoming global challenges. That means all our science and its resulting innovative products are developed to provide a better life to people, plants and animals.

In 2016, we celebrated 120 years of operation in Brazil. We are proud to state that we are one of the oldest companies established in the country. We link history, solidity and ethics to innovation and fostering sustainability. More than ever, our "Science For A Better Life" mission is a priority.

This is the third issue of **Social and Environmental Sustainability Report**, an issue that documents the outstanding performance, actions and programs performed by several Bayer Brazil areas. I am grateful to everyone who has assisted in our social and environmental programs, and I invite you all to become acquainted, in the next pages, with our activities in 2016. After all, **If it is Bayer**, **it is good**.

Good reading!

Theo van der Loo

President of Bayer Group in Brazil

Bayer in Brazil

Bayer is a global organization focused on Life Sciences in the fields of human and animal health and agriculture. Its products and services are developed to improve standard of living. Moreover, the company's goal is to add value by means of innovation.

With a 120-year operation in Brazil and over 153 years of global history, Bayer has a tradition of inventions and advancements whilst pursuing their mission under "Science for A Better Life". Its strategy has been developed in order to provide a solution for some of the most pressing challenges faced by human kind.

With around 4,000 employees all over the country, the company is one of the top Bayer Group operations in the world. It has two manufacturing plants in São Paulo (SP), the city where its Brazilian headquarters are also based, the Industrial Park in Belford Roxo (RJ), and the Tropical Agriculture Expertise Center (CEAT) in Paulínia (SP).

Considering all the activities in Brazil of its three business divisions, the Group sales totaled R\$ 8.3 billion in 2016.

Last year, the company invested around R\$ 180 million in the country. This money will be invested in facility and laboratory modernization, Research and Development (R&D) and social and environmental projects.

LIFE SCIENCES BUSINESS FOCUS

Bayer's core businesses are managed by three divisions: Pharmaceuticals, Consumer Health and Crop Science.

Pharmaceuticals

The focus is on prescribed medications in the fields of cardiology, oncology, gynecology, hematology and ophthalmology. By means of innovative products, the company provides a significant therapeutic benefit to patients, whilst complying with increasing doctors' demands. The division also includes a Radiology business unit, which markets imaging and diagnostic equipment, along with contrast agents.

Consumer Health

Markets prescription-free medications, including anti-allergenic, pain-killers, flu medications, dermatologic, foot care, nutritional and sunscreen applications.



Crop Science

Is one of agricultural science and environmental health field world leaders. The division also includes Animal Health businesses. The Crop and Seed Protection unit markets high quality seeds, innovative pesticides and biological pest control solutions. The Environmental Health unit focuses on non-agricultural applications, by means of wider pest control product and services portfolio, specifically ranging from household market to forest market fields. Animal products are managed by the Animal Health business unit.

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Bayer provides a benefit package which assists not only the employees, but also their dependents. They include:

- Nutritional follow-up
- Health assistance
- Dental assistance
- Day-care/baby-sitter assistance
- Bem Nascer (Born Well) (Maternity and paternity support program)
- Vaccination campaigns
- · Bayer Club (São Paulo and Belford Roxo, designed provide employees and family members with sports, leisure and entertainment activities)
- "In company" collection
- · Sickness allowance and employment-related accident supplement
- · Conte Comigo (Stand By Me) (psycho-social support, legal and financial guidance and chemical addiction support)
- Credit cooperative Copbayer
- Payroll loan
- Gympass (agreement for gym membership)
- Flexible working hours
- Company time jubilee
- Expanded maternity leave

- Expanded paternity leave
- Petz (Animal Health product discount purchase partnership)
- Program + Advantages (online purchase network)
- PPA Retirement preparation plan
- Private pension fund Previbayer
- Vaccine reimbursement
- In-company restaurant
- Life insurance
- Medication purchase subsidy
- Training and development subsidies
- Food voucher (according to position and location)
- Meal-voucher (according to location)
- Transport (transportation voucher and chartered transportation)
- Vehicles (according to position)



Bayer talent management policy is guided by clear principles in order that each employee has the opportunity to develop his/her career.

The company urges managers to actively engage in its team's development and encourages the employees to be the main players of their own growth.



MANAGEMENT TOOLS:

- Development actions
- Performance assessment
- 360° assessment
- Development dialogue (based on skills)
- Talent identification
- · In-company recruitment
- Potential assessment



Bayer values and fosters diversity as a source of creativity and innovation, the key elements to comply with its mission 'Bayer: Science For A Better Life'. Actions and relationships are based on this diverse, complex and challenging world, with Leadership, Integrity, Flexibility and Efficiency (LIFE) values, which make the company a fine workplace and reinforce its commitment to sustainable development.

After investing in Disabled People program in 2014, the company made efforts in other areas. In 2015, it became the 18th signatory of Company Forum and LGBT Rights, a committee which includes national and international institutions to foster human rights for lesbian, gay, bisexual, transvestites and transgender.

This issue is also the focus of Bayer Blend internal global community, which gathers LGBT employees to adopt clarification and respect in the work environment,

which was released in 2016. Four Bayer Brazil employees joined the group that makes efforts to search for more internal opportunities to establish inclusive practices, as an ally program (responsible employees to develop a truly inclusive culture for LGBT workers). The company also performs benefit equality for employees in same gender relations, including medical and dental assistance, as it happens with heterosexual couples.

Moreover, the company established an internal multidisciplinary committee whose mission is reviewing and proposing changes in 23 different processes, in order to enable disabled professional inclusion. Gender equality and racial inclusion committees have also been established. The former sets forth a woman's career follow-up panel in Bayer, and the latter proposes practice revision aimed at a greater inclusion of black professionals at all company levels. In 2016, Bayer became signatory of Racial

Equality Corporate Manifest and UN Women's Empowerment Principles. In order to further reinforce the diversity discussion, the company has a managing group which includes company leaders, who discuss matters related to developing an inclusive, respectful and fair culture in the company by means of yearly strategic target establishment. This committee has been expanded to Belford Roxo site, in Rio de Janeiro. The Cancioneiro plant is also represented in the company's Diversity Executive Committee.



Bayer is also now part of Integrare, a supplier group managed by representative minorities (black women and men, and disabled people) as a form of implementing a Diversity valuing and fostering strategy throughout the company.



Bayer provides several opportunities to youngsters who are at the beginning of their career. By means of structured development projects, they are the gateway for some of the future company leaders.

INSTITUTIONAL INTERNSHIP

Bayer Internship Program main goal is to identify talent that can be hired in the future to build a solid career in the company. The interns attend a 24-month development program, which includes formal training, lectures held by company leaders and practical activities that support technical and behavioral formation and development. The program particularly stresses an entrepreneur and innovative performance, fostering self-development and preparing a young professional to face challenges.

AGRONOMIST INTERNSHIP

Bayer provides an Agronomist Internship Program in the Crop Science business field, with work opportunities in other agribusiness fields, including Research & Development, and Marketing, among others. The target audience is comprised of agronomy or agronomy engineering students in several regions of the country.

In order to participate, the students must be available to be interns for five months, in a development structured program in order to hold future positions in the company. The workplaces include the cities of Sapezal, Goiânia, Tangará da Serra, Nova Mutum, Primavera do Leste, Querência, Balsas, Luis Eduardo Magalhães and Rio de Janeiro.





TRAINEE

Innovation, flexibility and determination are the main requirements for Bayer trainees. For 18 months, the youngsters have the opportunity of expanding their business vision and improving technical, behavioral and management skills, and are encouraged to develop projects, to inspire their self-development and their personal growth.

This initiative reinforces entrepreneurship and innovative performance of this new professional generation, improving teamwork and leadership spirit. Thus, the young talent is ready to work as a key player in their professional growth and hold more demanding positions in the company in the mid-term.

ny in the mid-term.

Vacanciles

Enrolled: 440
in 2016

YOUNG APPRENTICE PROGRAM

In a partnership with National Industrial Learning Service (SENAI), Bayer Young Apprentice program lasts 12 months and aims at including, training and fostering professional development of disabled youngster. To do that it uses the knowledge provided in learning and activities performed in the company daily routine. In 2016, a partnership with Uirapuru project was established to provide corporate environment communication and behavior educational support to youngsters, and consequently better work market insertion.



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Training, development and corporate education programs aimed at fostering employees' professional and personal training, improvement and development.

Moreover, the aim is to provide technical and behavioral knowledge acquisition and application, within the current position, future needs, and also providing methodologies according to the best market training practices.



The Training Portfolio provides an employee with a professional development program at non-managerial levels. In case of training designed for management position professionals, the programs aimed at developing specific competence and skills are included in Leader Academy.

Bayer also grants subsidies varying from 50% to 90% of full value, for graduation, MBA, post-graduation, language learning courses, and other types of course for employees with at least three months of employment, according to each program's eligibility.

In addition, business areas have teams focused on specific training for departments such as Marketing and Sales Force, with technical training directly related to work routine.



The 2-year Heart LIFE program was completed in 2016, with significant results. The initiative relied on 425 employees volunteering at Socorro and Cancioneiro sites.

With the goal of assessing Bayer employees' cardiovascular health, and providing them with a cardiovascular risk factor controlled follow-up programs, Heart LIFE aimed at improving the participant health standard.

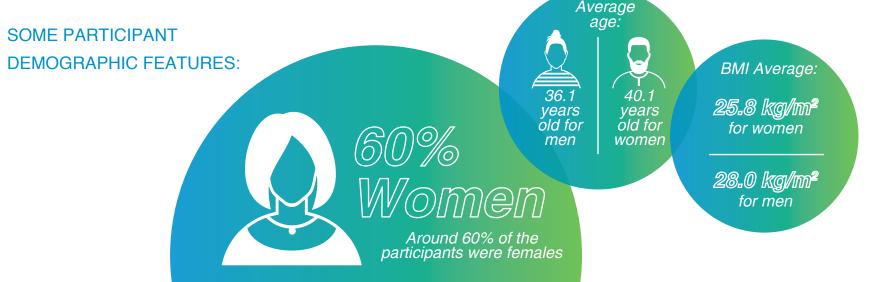
This assessment was performed by means of fasting glucose and total cholesterol tests, Body Mass Index (BMI) assessments, diet, physical activity practices, smoking and blood pressure monitoring. Thus, every employee received a customized report with their cardiovascular health score and an action plan.

In the smoking treatment program, when medication was indicated, there was medical follow-up during the process. Moreover, Bayer also provided to the participants their first box of nicotine patches.

SOME PARTICIPANT

In the weight loss program, there was a nutritionist follow-up, who assessed food ingestion and suggested a new menu to be followed. Diabetes, hypertension, cholesterol and triglycerides control programs also relied on doctor and nutritionist support.

After undergoing assessments, the participants were interviewed, and received information on their cardiovascular health, according to the American Cardiology Society categories. For each employee, a total score was calculated based on metrics, which should be within the ideal range. The program results will be disclosed in a specialized journal.





Living with quality is searching for the best possible balance in different life settings. Thus, Bayer invests in actions and programs which enable this balance, and an increasingly healthier work environment.

In 2016, Bayer released 'My LIFE' brand, which gathers benefits and initiatives linked to life standard, distributed in three pillars:

MY LIFE HEALTH

Employees and their families' physical and mental health are this pillar's focus, which aims at fostering healthy life style, in collaboration with health care and illness prevention. The benefits of this pillar are:

- Medical and dental assistance
- Conte Comigo (Stand By Me) (psycho-social support, legal and financial guidance and chemical addiction support)
- Medication subsidy
- Gym passes throughout Brazil
- Check-ups and Mini Check-ups
- In-company collection
- Posture School
- Workplace Gymnastics
- Immunization campaigns
- Vaccine reimbursement
- Bayer Club Gym (SP and RJ)
- Welfare Space (therapeutic massages)
- Race group
- VidAtiva (Active Life) retired people activity (RJ)
- Bem Nascer (Born Well)

MY LIFE BALANCE

Bayer understands that supporting and developing policies which provide personal and professional harmonization is essential to good health. As well as fostering actions that make your day by day easier, and encouraging leisure and social integration. This pillar's main features are:

- Flexible working hours
- Program + Advantages
- · Conte Comigo (Stand By Me) (psycho-social support, legal and financial guidance and chemical addiction support)
- Expanded maternity and paternity leave
- Services Area
- Friendly Hitchhiking
- Toda 5ª é feira (Thursday free market) (free market at Socorro site)
- Employees' children Bayer Club vacation
- Club Happy hours
- · Theme-based parties (Carnival, June Party and Oktoberfest)

MY LIFE FINANCES

Financial planning is important so that the employee can achieve his/her financial security, and can enjoy periods of relaxation with the family, and prepare for his/her retirement. Thus, Bayer is willing to help with such planning by means of the Finances pillar:

- Supplementary pension plan
- Credit cooperative
- Conte Comigo (Stand By Me) (financial consultancy)
- Retirement preparation
- Life Insurance and Funeral Assistance



Bayer has made efforts to improve social conditions inevery country it operates. With this as their aim, the company contributes to a more health-conscious society.

MEN'S HEALTH

To celebrate Men's Day on July 15th, Bayer Men's Week was held for the eighth consecutive year. This initiative aims at warning the population about the relevance of men's healthcare.

The 2016 campaign focused on obesity and how it impacts men's health. Bayer, in partnership with the Brazilian Urology Society (SBU), conducted a survey of 2,000 men from seven capital cities (Belo Horizonte, Campo Grande, Porto Alegre, Recife, Rio de Janeiro, São Paulo and Brasília). This survey revealed that the majority of men interviewed blamed low testosterone levels on poor living conditions, excessive work and daily stress. Obesity, which is one of the possible factors related to hypogonadism, was the least mentioned by the interviewees.

During the 8th Bayer Men's Week, the following awareness activities took place:

 Men's Health Campaign at Conjunto Nacional, in São Paulo, in partnership with Brazilian Urology Society (SBU), where free clinical exams were provided, including testosterone and glucose level tests, BMI (Body Mass Index), weight, height and blood pressure. During the 2-day event, over 1,000 men were serviced.

- An awareness campaign on Paulista Avenue, São Paulo, where leaflets were distributed on men's obesity and health.
- Teams from Pharmaceuticals Retail and Sales
 Force handed out leaflets in drugstores and continued the campaign by publicizing in doctor offices, wearing T-shirts related to this theme.
- A lecture was given by psychoanalyst Regina Navarro Lins, on the topic of 'Men's Role in Society'. The psychoanalyst was at Socorro site discussing men's behavior in society and concerning healthcare with the employees.
- The theme was also mentioned on several Bayer and SBU portals and social media channels during the first half of July. Special articles were also published on 'Bayer Para Homens' (Bayer for Men) and 'Universo Médico' (Medical Universe) websites.

BLUE NOVEMBER

Bayer conducted an in-company campaign to support the Blue November cause, which focuses on prostate cancer awareness. Among the activities, the company sponsored an internal walk with some employee participation and a lecture on the theme with Dr. Cacio Pontual, a cardiology and labor medicine expert. In addition, the initiative included the donation of hats to Santa Paula Oncology Institute patients. This also encouraged the employees to wear the color blue on a day of the month to raise awareness on the subject.



WOMEN'S HEALTH

Since 2009, Bayer Women's Week has been held by the company to celebrate International Women's Day. The goal of the initiative is to raise awareness on issues of women's healthcare, and encouraging discussion on women's rights and their rights in society. In 2016, the eighth celebration took place including the following activities:

- · Health Campaign at Unifesp (Universidade Federal de São Paulo). Bayer and Gynecology Department of EPM-UNIFESP provided free pap smears, glucose measurement, weight, height, waist size and blood pressure assessment. This initiative's main purpose was to contribute to cervical cancer prevention.
- · Regina Navarro Lins, who is a psychoanalyst and author of 11 books on love and sexual relationship, gave a lecture at the Socorro site on the theme 'Women and Love', providing an insight on women's condition and love relationships.
- Dr. José Bento de Souza, a gynecologist doctor, human reproduction expert and TV Globo's Bem Estar show contributor, gave a lecture on women's health at the Socorro site.
- In Belford Roxo, employees attended a lecture by Karla Candal on current challenges facing women. Karla is a director of Lee Hecht Harrison and has a 20-year of experience, including more than 10 years in Human Resources.





FIGHTING THROMBOSIS

Swollen legs are something that may seem normal to many people. However, whenever it causes pain this is an indication of an illness: venous thrombosis, the third most common cardiovascular disease in the world. As a result of this, Bayer is globally committed to increase knowledge on thrombosis through awareness activities.

Led by the International Society on Thrombosis and Haemostasis (ISTH), Bayer and five other medical societies – Brazilian Cardiology Society (SBC), Brazilian Angiology and Vascular Surgery Society (SBACV), Brazilian Pneumology and Phithisiology Society (SBPT), Latin American Haemostasis and Thrombosis Cooperative Group (CLATH Group) and Brazilian Hematology and Haemotherapy Association (ABHH) - joined in this cause to promote a discussion on this health issue, which is on the increase world-wide.

The date of October 13th was chosen due to Rudolf Virchow's birthday, a German doctor and pathologist who first coined the term 'thrombosis' and wrote several papers about this disease. In 2016, the activities included the participation of patients, health professionals, experts and the general public. The main activities included:

- Support for two street races in the cities of São Paulo and Rio de Janeiro, which were attended by more than 10,000 people. During these events, Bayer set up a booth where leaflets with information on thrombosis were distributed.
- Awareness event on Paulista Avenue, S\u00e4o Paulo, where educational material was distributed and performances by actors disguised as 'Thrombus man' and 'Clot man', who interacted with the pedestrians.
- · Health Campaign in Villa Lobos Park, São Paulo, in partnership with Brazilian Angiology and Vascular Surgery Society (SBACV). The participants could undergo free exams and received guidance about disease prevention. More than 500 people took part in this activity.
- · Awareness activity in Socorro site, São Paulo. Actors went to work places and interacted with employees to encourage physical exercise. Material with tips on office physical exercises was also handed out.
- Teams of Pharmaceuticals Retail and Sales held awareness campaign with clerks and pharmacists.
- · The basketball player Anderson Varejão was again the ambassador of the campaign sponsored by Bayer Brazil. He is a member of the Brazilian Basketball Team and NBA - the main United States professional basketball league - had suffered a lung embolism as a result of thrombosis in 2013.



For the fourth consecutive year Bayer participated in the World CVA Fighting Day, which is celebrated on October 29th. This showed Bayer support for activities clarifying the symptoms, risk factors and

disease prevention.

The initiative also included Bayer Brazil joining the world campaign 'Sign Against Stroke'. The purpose of the campaign is to get public support for Atrial Fibrillation Patient Global Letter. The letter's purpose is to request health authorities for recommendation implementation to prevent strokes related to atrial fibrillation.

In 2016, Bayer Brazil sponsored and event to collect new signatures on Paulista Avenue, Largo da Batata and Santana and Barra Funda subway stations, in São Paulo. At this time, educational leaflets on the disease, its symptoms and treatment were also handed out.

Over 3,000 signatures were collected during the 2016 event. Brazil contributed with more than 43 thousand signatures and remains in third place in the world.

UNPLANNED PREGNANCY PREVENTION DAY

In order to raise public awareness on World Contraception Day (WCD), celebrated globally on September 26th, since 2007, Bayer has sponsored events in Brazil. The celebration, locally named 'World Unplanned Pregnancy Prevention Day', has the aim of promoting sexual education, raising awareness on modern contraception, sexually transmitted disease prevention, and reducing high rates of unplanned pregnancy all over the planet. In Brazil, Escola Paulista de Medicina at Universidade Federal de São Paulo (EPM-Unifesp) was a partner in this project.

In 2016, in order to encourage discussion, Bayer performed in several countries a global research named 'Millennials and Contraception - Why do we forget?'. The study explored how millennial women's memory (generation comprised of 20 to 35-year old young adults) can be impacted by stress, lifestyle changes in a short period of time and how these influence their daily activities and habits. Stress causes forgetfulness of usual daily activities, including the taking of birth control pills. The research was conducted in nine countries (Germany, Belgium, Brazil, Spain, United States, France, Ireland, Italy and Mexico) with 21 to 29-year old women, who took birth control pills.

In 2016, the campaign reached its 10th anniversary with the theme 'It is your Life -It is your decision', and used images of youngsters during times of relaxation and enjoyment; it was also an opportunity for them to think about which decision will be better for their life and future. This activity included:

- Teenager awareness lectures. In S\u00e3o Paulo. Baver sponsored two meetings that were attended by approximately 300 students in Catavento Cultural Museum.
- · Awareness activities on Paulista Avenue, São Paulo, which had young couples coloring the avenue with one ribbon and balloons bearing the campaign world
- Press conference in São Paulo during which the results of Bayer global research 'Millennials and Contraception – Why do we forget?' were disclosed. This event was attended by 51 journalists and three gynecologists, and had a behavioral lecture by psychoanalyst and writer Regina Navarro Lins.
- Awareness activity at Monument to Flags (next to Ibirapuera Park SP), Leaflets and Senhor do Bonfim ribbons bearing the campaign's name were handed out.
- Publicizing on social media, including Instagram, YouTube and Facebook. Bayer Jovens (Bayer Youngsters) platform had a special schedule related to the campaign in September, which reached more than 200 thousand people. In addition, the Viva Sua Vida (Live Your Life) website (www.vivasuavida.com.br) had special content on the 2016 theme.
- · Some celebrities freely joined the campaign's cause after being invited by the Corporate Communication area.
- · Youtubers Becca Pires and Evelyn Regly posted videos on their channels supporting the campaign. In addition, a video by columnist Natalia Zienkiewicz was broadcast on Bayer Jovens and on 'Na Pimentaria' blog.
- · Sales Force and Retail visited medical classes and drugstores and gave out campaign T-shirts.





Bayer has an Industrial Security area, whose purpose is minimizing inherent risks to its manufacturing plants facilities and to its employees and visitors.

PROPERTY AND EXECUTIVE SECURITY

They assure the site's legal compliance with state and federal security legislations, as well as monitoring employee and third party access, and chemical truck transportation inspection and weighing.

EMERGENCY SECURITY

The main focus is the protection of life and property in the event of an emergency. Mock internal emergency training is performed on a regular basis, integrating the Industrial Security operational group, the related manufacturing group and neighboring areas (other factories, administrative areas, etc). Similar training takes place regarding hazardous cargo transport in the manufacturing units where these simulations also involve public bodies and local entities, including firefighters, Civil Defense, Police, roads operators, among others, as well as the neighboring community.

Concerning outside emergencies, Bayer works with a contractor to deal with accidents with chemical transportation and handling. In order to assess the company's efficiency and fast response, all sites perform simulations on a regular basis, so that employees, emergency groups, firemen and medical professionals are all trained to perform in actual situations.

Each unit relies on an Emergency Commission, comprised of technicians, managers and directors, who are responsible for making decisions and coordinating actions in critical situations. This team is available 24 hours a day, and it has autonomy to provide resources and call out emergency teams all over the country. There is also a text message sending service to alert employees about emergencies in the region, including road blocks, floods and riots.

LABOR SAFETY

At Bayer, the safety of its employees and service providers is a priority. Thus, several preventive programs are set forth by Labor Safety which include: guideline development; preventive program implementation; accident risk identification; activity monitoring; accident assessment and analysis to eliminate reoccurrences;

Environmental Risk Prevention Program (PPRA) implementation and hazardous activity control in maintenance processes.

In order to assess the achieved results, Labor Safety uses yearly indexes including Frequency Rate (FR) and Severity Rate (SR) of accidents involving Bayer employees and contractors. The head office also formulates specific development reports which are submitted to Germany every year.

This area is also responsible for occupational exposure testing in the workplace. This process includes assessment of activities dealing with chemical, physical and biological hazards. It is also carried out at the facilities of the companies contracted by Bayer, by means of regular inspections, activity follow-up, training and guidance on hazards present at the site. In order to raise everyone's awareness concerning hazards, several trainings sessions are conducted regularly by the Labor Safety

> There are also initiatives to raise awareness and provide information on internal procedures, including Safety Integration and Dialogue, and group establishment including CIPA (Accident Prevention Internal Commission), employees' HSE (Health Security and Environment) focal point, and also events including SIPATMA (Internal Labor Accident Prevention and Environment Week).



SAFETY DAY

Bayer Safety Day is held globally every year so that the employees can reflect on safety behavior relevance both inside and outside the company. With the theme 'Live safely. Respect life', the 2016 event was held in September and highlighted how safety is essential not only for the day to day activities, but also for LIFE value performance, by means of the following:

Socorro Site

At the Socorro site, the Safety Day took place along with Internal Labor Accident Prevention and Environment Week (SIPATMA). One of the events included an lecture by Doctor Drauzio Varella, on the subject on their own and their family's safety. As far as health is concerned, booster doses of Triple Viral vaccine were provided, and the employees could also attend AED (Automated External Defibrillator) Training. Bayer also sponsored a workshop on composting, which taught household organic waste treatment; this initiative relied on Morada da Floresta NGO support. Concerning traffic safety, a driving simulator showed the risks to the driver when he/she uses the cell phone while driving. The site also performed two interventions in internal traffic, rewarding six drivers and 20 cyclists who showed safety awareness behaviors with hats, balls, T-shirts and other gifts.

Cancioneiro Site

At Cancioneiro, besides vaccination, drunk-driving simulator, which showed that drinking and driving do not match, there were lectures on environment, home safety and sexually transmitted diseases. The Safety Day relied on a presentation by Professor Gretz on the power of positive thought. In addition, the employees also reflected on the meaning of LIFE values and on how everyone's life is essential to Bayer.

Belford Roxo Site

Theo van der Loo, the President of Bayer Group in Brazil, opened the Safety Day in Belford Roxo, which included last year's safety statistics and a play performed by the employees, called "Bayer Safety Day TV News". The news dealt with issues regarding hand and eye protection, safety lane use, sports practice encouragement and general site rules. The traffic and cell phone use simulator was also used in the event.

Seeds and Crop Science Business Management sites in Paulínia

Safety Day in Paulínia, at the Seeds and Crop Science Business Management sites relied on employees' participation, organizing and running the activities. Besides, lectures, group dynamics, labor gymnastics, emergency simulations and activities with the community were also performed, including a visit to Casa do Menor (Home for the Underaged) by Paulínia site employees.



ZERO ACCIDENT

Bayer accepts their responsibility of assuring employee safety both inside and outside their sites. In 2016, the company ran a Zero Accident campaign - 'Life First', which was released in 2015. This initiative reinforced the focus on monitoring and accident prevention, which is everyone's daily responsibility, whether in offices, plants, roads or even at home.

The goal is to address the theme of safety and accident prevention awareness. In order to draw employees' attention to the campaign, several events were held at each location. At the Socorro site, for instance, there were internal traffic campaigns throughout 2016, which identified safe and unsafe driving behaviors. The good drivers received a safe behavior incentive designation and the ones who had the opportunity of improvement received a designation pointing out what behavior could be improved upon.

Besides the internal vehicle driving, the company implemented checking the use of the internal bicycle track., which is called Baybike. In order to reinforce the safe behavior, the cyclists properly wearing helmets received gifts and incentives to remain on the right track, and, more importantly, to return home safely.

Another initiative is HSE tip, which is sent monthly to managers. The goal of this is disseminating the idea that prevention is everyone's responsibility, as everyone is responsible for his/her and others' safety.

"NEAR ACCIDENTS"

Within the Zero Accident campaign, Bayer also alerts employees of dangers of ordinary situations in the work environment, which are not usually acknowledged as potentially hazardous. These so-called "near misses" are situations that appear to be small or insignificant, but can result in accidents with lost workdays, including falls and tumbles. "Near misses" can be caused by a technical or organizational fault, or by an unsafe action, and are directly related to behaviors.

Near misses are already monitored at all sites by means of printed forms provided via SharePoint. In order that these situations are acknowledged and reported more easily, the company prepared a range of specific actions, including sending informative emails and messages on Bayer TV.





Employees and third-party health commitment.

The main goal is to keep all employees at their highest physical, mental and social levels, whilst assuring safe and health conditions at the work environment. These goals are attained by providing team work through education. Every Bayer employee relies on emergency Occupational Health and service support.

Bayer employees participate in regular medical exams, medical check-ups and other activities such as daily labor gymnastics.

In addition, every year Bayer sponsors the Flu Vaccination Campaign for their employees.

Since 2015, the company has provided HPV vaccine at reasonable costs to company women and employees' female family members. The vaccinations were administered at an accredited clinic in São Paulo.

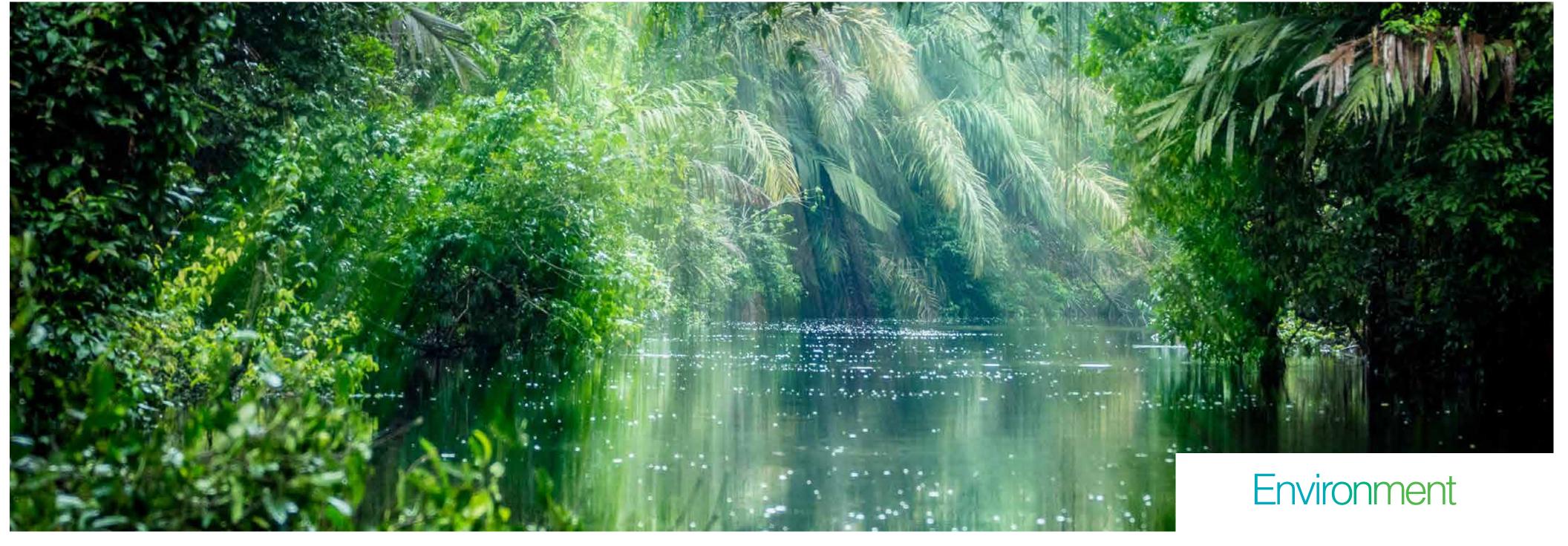
Bayer complies with all basic worker health protection rules included in the Federal Constitution and Consolidated Labor Laws (CLT).

In 2016 there was also a vaccination against Measles, Rubella and Mumps.

BLOOD DONATION CAMPAIGN

For the fourth consecutive year, Bayer promoted a Blood Donation Campaign to involve the employees in this important cause. In 2016, the donations were made at the São Lucas Blood Center. In connection with this campaign, the company also facilitates blood donations to employees and their family members who require them.

Occupational Health relies on a competent multidisciplinary team that meets occupational and assistance demands of the São Paulo sites. The professionals available are doctors, general clinicians, gynecologists, nutritionists, occupational physical therapists, ergonomists, physical educators and a nursing team. This area operates from Monday through Friday, from 7 am to 6 pm (at the Socorro site) and from 7 am to 8 pm (at the Cancioneiro site).



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Bayer's environmental policy goal is to provide ongoing improvements in the fields of human and animal health, whilst focusing on environmental preservation, and employees, citizens and patients safety all over the world.

An essential concern is to use transparency and responsibility in the following fields:

- Hazardous waste management;
- · Recyclable waste management;
- Waste water management;
- · Air emission management;
- · Awareness of company environmental issues;
- Compliance with laws and regulations in force concerning waste storage, transportation and destination processes;
- Compliance with safety guidelines and emergency response plans.



Bayer sponsors internal education programs to raise employees' awareness to their responsibility concerning the conscious use of natural resources.

Some activities held in 2016:

- Environment Week. The activities sponsored by Bayer included an educational game, called "Palletball", where employees identified in which recyclable bin the waste should be disposed;
- Weekly environment broadcasts on internal communication channels;
- · Bayer Reuse: this program collects and reuses promotional materials and previous Bayer campaign gifts internally. This enables costs savings in the incineration process, and decreases the environmental impact. In 2016, the program additionally received area office materials for internal reuse;
- · Household composting workshop for Bayer employees during SIPATMA, has the goal of raising awareness and minimizing organic waste sent to landfills, transforming them into humus and rich compost for plant and garden nutrition;
- Environmental facilitators: is a group comprised of employees interested in environmental issues. The participation is voluntary and the goal is to promote ideas and internal discussion on corporate environmental management;
- · HSE TOUR: where employees were asked to walk around the Socorro site identifying the presence of HSE issues. At each stop, a Health, Labor Safety or Environment issue was addressed. In the end, the participants won an umbrella as a gift with an HSE message.



A collection of measures assures the correct treatment of company-generated waste. These measures are relative to generation, collection, transport, treatment to destination or final waste and reject disposal, assuring the correct disposal according to the sustainable and responsible development premise.

RECYCLABLE WASTE MANAGEMENT

Selective Collection Centers are provided in company common areas to separate and reuse waste by means of recycling. In all, 71.1 tons of paper, 7.9 tons of plastic and 15.2 tons of metal were recycled in 2016.

In Belford Roxo, Bayer maintains a Reuse and Recycling Area (ARR), a reusable material storage facility which can be collected for recycling, including plastic, packaging cartons and water used in production for reuse.

In 2016, more than 33,000 pallets were reused This accounts for over 50% in reuse. More than 700 tons of materials were also submitted for recycling to be reused or incorporated in new manufacturing processes.

In addition, in 2016, there was a 16% decrease of generated waste for incineration, compared to the previous year. Some reasons for this reduction included: material disposal optimization; increase in the recycling of materials; packaging replacement of some raw materials; and processes that generate less waste.

LUBRICANT OIL MANAGEMENT

Lubricant oil waste generated in equipment maintenance and exchange are collected safely, by using proper leak resistant receptacles which are later submitted to adequate destination. In 2016, 100

liters of lubricant oil were collected.

COOKING OIL MANAGEMENT

Proper cooking oil collection, identification and final disposal from both restaurants located in the Socorro site. In 2016, 1,585 liters of vegetal oil were collected

LIGHT BULBS MANAGEMENT

Light bulbs that contain mercury are rated as hazardous waste. All used bulbs are deposited in appropriate containers and submitted to a company specialized in safety disposal. In 2016, 17,923 units were collected

BATTERY MANAGEMENT

Battery disposable containers are provided at the Socorro site for internal use. The material collected is handled in order to prevent leaks and environmenta contamination, and is then submitted for apropriate

EXPIRED OR UNUSED MEDICATION MANAGEMENT

Medications have chemicals which can contaminate soil and water and they need to be disposed of and treated correctly. In order to raise awareness internally, the Socorro site relies on a disposal container for expired or unused employees, third parties and visitors medications. This waste is submitted for proper environmentally disposal. In

all, 161.5 kg of expired or unused medications were deposited in the collector in 2016.

PAPER CONSUMPTION REDUCTION

In 2010, Bayer implemented YOURDOCeS system, which enables electronic invoice registration. In six years, almost 500 thousand invoices were generated digitally; this accounted for an almost 60% reduction in file paper volume. In 2013, Internal Service Request Virtual Protocol started, which reduced by 28 thousand the use of regular paper, of the 96 thousand internal mails registered a year. Another system that reduced paper volume significantly was AnyDoc, electronic document approval, what enabled the saving of more than 315.9 thousand pages in

ELECTRONIC WASTE REDUCTION

In 2016, Bayer implemented a new Sales Force concept aimed at reducing electronic equipment used by the teams. The employees who used to have two pieces of equipment (a notebook and a tablet), now have all the tools required for their work in a single device, reducing notebook replacement and disposal.



Bayer works non-stop to find solutions which reduce environmental impact and conserve resources, thus it maintains water system management.

SARAPUÍ RIVER WATER REUSE (RJ)

In 2007, Bayer opened a Water Treatment Plant operation, with a treatment capacity of 1.5 million liters per month. The water is collected from Sarapuí River and treated to be used in the manufacturing process. Over 70% of the water used at the Belford Roxo industrial park originates from this reuse.

The water total consumption was around 1.7 million liters per month in 2007. Currently, following many changes in the processes, the consumption was reduced to 570,000 liters per month, of which 400,000 come from reuse. This volume is sufficient to meet the monthly demands of around 5,750 people – considering the per capita consumption base recommended by the United Nations (UN), which is 110 liters per inhabitant. In nine years, Bayer avoided the consumption of more than 7 billion liters of drinkable water.

GROUNDWATER TREATMENT PLANT

This was implemented in 2012 at the Socorro site. This plant is part of a remediation project in the area. The aim of this initiative is to treat the groundwater extracted by means of a well network located in the vicinity. After treatment, the water does not become drinkable, but it is adequate to be used in toilets, changing rooms and other site areas. The plant also performs the soil gas extraction, which is treated by means of a filtering system.

REDUCTION OF WASTEWATER TREATMENT CONSUMPTION

In Belford Roxo, the industrial wastewater undergoes a range of preliminary treatments aimed at the reuse in the industrial process whenever possible. Before disposal, it undergoes physical, chemical and biological treatments at the Industrial Waste Treatment Plant, and is only released when it complies with environmental requirements for its disposal. This system relies on the latest technologies and has the capacity of treating up to 70,000 liters an hour.

At the Socorro site, measures are taken to protect bodies of water and to prevent any damage or environmental contamination. Laboratory and manufacturing waste is regularly sampled before submission to the wastewater treatment plant. In addition, the replacement water of air conditioning system cooling towers and industrial processes utilizes reused water; this enables a saving of 15,000 liters of drinkable water per month.

INTERNAL INFRASTRUCTURE RENOVATION FOR REUSED WATER

At the Socorro site, the administrative building and new area renovation includes the installation of drinkable water and reused water independent infrastructure. This is a strategic initiative, which will prepare the buildings for compliance with the Socorro site Reuse Water Project. The third stage of the project foresees a Sewage Treatment Plant implementation, increasing sustainability by means of reducing drinkable water consumption and using reused water in toilets, urinals, gardens and plants, outdoor area washing, among others.



The control of power consumption by large companies is one of business' sustainability pillars.

POWER SAVINGS

Aligned with energy challenges, in April 2016 Bayer started the migration from a captive market mode to an open market for Socorro site electric power supply. The main prerequisite for contracting a company was to supply power from renewable sources.

Moreover, since 2015, Bayer has renovated some site environments, to adopt a new concept layout (Open Space). The projects also include a lamp shade modernization process, replacing existing lamps for LED technology, which is more energy efficient, and with a lower environmental impact. The company also installed an electric power saving system on the air conditioning equipment at the Socorro site.

ENERGY EFFICIECY TEAM

Currently, 100% of the power used at the Belford Roxo Industrial Park is renewable. An ongoing process assessment is used to identify opportunities to increase efficient energy input.

In 2016, Crop Science manufacturing in Belford Roxo reduced their electric power consumption by 3% compared to the previous year. Among improvements performed in the manufacturing process, some of them enabled the reduction of power consumption, including: mill flow increase, reducing milling time, with the same power usage; along with improvements in water bath heat conservation.

Socorro site has solar panels installed at two locations, heating the restaurant and dressing room water.



Bayer keeps urban mobility programs which, among other benefits, enable the decrease of the greenhouse effect gas emission.

FRIENDLY HITCHHIKING

The Friendly Hitchhiking Program intends to integrate more the Socorro site employees, enabling sharing vehicles, and, consequently reducing the number of cars on the streets, which also benefits the environment, with less CO2 emission.

The program is operated by a system developed by partner Caronetas and adapted to Bayer, through which the employee records his/her trips, and can offer and receive rides, share cabs, find company for bike riding, all that integrated with public transport system. The ride can be partial supplemented by bus, subway or train use. In order to encourage further participation, special parking spaces are provided to program participants.

FLEX OFFICE

The Flex Office system offers the possibility of working remotely, from eligible employees' homes, or in any another place outside the company, as long as there is a minimum infrastructure, with the maximum frequency of once a week.

All employees whose jobs can be executed remotely are eligible, as long as they hold administrative positions and use company notebooks with security devices for remote access to the Bayer system. The Flex Office use is optional. Because the employee is not using any transportation, this enables decreasing greenhouse effect gas emission and urban traffic.

VIRTUAL SALES REPRESENTATIVE

Established by the company in 2012, this virtual promotion is, currently, comprised by 11 Sales Force members who are responsible for promoting Bayer products to doctors by means of virtual channels. Its main goal is to increase demand, seizing opportunities currently not serviced by the regular team.

In average, each area professional performs 1,500 virtual visits a year to doctors all over the country. Besides the gains - although minimal - this also reduces urban traffic, natural resource consumption and gas emissions. The program was also efficient in increasing the reach of the Pharmaceuticals division promotions.

ELECTRONIC MEETINGS

Since 2010, the company has increased their investments in electronic tools for meetings, enabling the employees to attend conferences remotely, avoiding travel.

In 2016, Bayer provided to its employees another novelty in this field: a new collaboration platform, which enables performing training, business partner interactions and remote meeting broadcast in any device connected to the



For more than a century, Bayer has worked to balance its business activities with environment and nature protection. One of their work pillars is supporting environmental projects.

ESCOLA VERDE

Green School is a project developed in 2006 to raise environmental awareness of municipal school students of Belford Roxo, Duque de Caxias and São João de Meriti, all located in Baixada Fluminense, in Rio de Janeiro. The environmental education program is aimed at those towns' municipal school students and teachers. Since the project began, Green School has reached over 50 thousand youngsters. The classes are held weekly at Bayer Club, located at the Belford Roxo Industrial Park.

Also as part of its activities, since 2009 Green School maintains a greenhouse and an Atlantic Forest native plant seed stock nursery. Its capacity is 5,000 seed stocks a year. They are all aimed for Bayer industrial park internal area replanting and are also constantly donated to Belford Roxo City Hall to recover the city's vegetation. The project relies on the partnership with Unigranrio University, which provides the educational content. By means of such support, Green School provides an extension course to the participant teachers. More than 450 teachers have already been trained in three years.

ÁGUAS CLARAS DO RIO PINHEIROS

Since 2012, Bayer has supported the initiative Pinheiros River Clear Waters in São Paulo. A non-profit civil company organization, of people and companies concerned with recovering and revitalizing the Pinheiros River and its tributaries, fostering social and environmental sustainability, improvement of standard of living. The project's goals are focused on the river basin, society participation and engagement, and Pinheiros River multiple use feasibility, besides strengthening its relation with Tietê River and Billings Dam.



Bayer has been a partner in several activities performed by "GED Inovação", an initiative developed by one of Bayer Young Environmental Ambassadors program winners. Check the actions

The project was part of World Environment Week celebrations, held from May 30th to June 5th, 2016. The initiative taught around 150 students of the public schools EMEF Heitor de Andrade and EMEF Plácido de Castro, located in Socorro district, in São Paulo, to create vertical gardens. The students learned how to handle and execute composting, using a manual compost separator installed at the school, utilizing remains of foods consumed at the schools. Besides, they cultivate seeds and grow vegetables used afterwards in school meals. The focus is to foster environmental education by means of vertical gardens with PET bottles. The social and environmental project has already taken place in over 30 municipal

Botanic and Science Workshops and Artistic Painting Workshops

In the same public institutions where the project 'Youngsters Planting the Future' took place, Bayer also sponsored Botanic and Science Workshops, offering practical classes on foliage and ecosystems, as well as Artistic Painting Workshops, where the students could learn graffiti techniques to paint the school walls. More than 130 students participated in these activities in August, 2016.



Bayer also supported the reforestation campaign in the city of Cubatão, in the state of São Paulo. A thousand tree seed stocks were planted in Baixada Santista. This took place on November 29th and 30th, 2016, and was attended by around 70 young volunteers from the city of São Paulo and São Paulo Seashore.

Staircases revitalized

A needy community in the South Side of São Paulo, the Jardim Ângela, benefited from the project Olhe o Degrau (Mind the Step), designed by the NGO Cidade Ativa and performed in partnership with Bayer, GED Inovação and Instituto Cidade em Movimento (IVM). With local population support and participation, a district public staircase renovation was performed in June, 2016, with graffiti on the side walls, mosaic tiles on the steps, benches for leisure and rest and ecological waste bins installation.

In November, as part of Black Conscience Day, the same initiative took place in Aclimação district, in downtown São Paulo. On this occasion, the action relied on the partnership of NGO Ciclo Social Arte and GED, and also on the local population. This was a collective renovation of a staircase in the region. Besides the renovation, benches for leisure and rest, waste bins, ecological flower vases and pet toilets were installed. With graffiti signed by NGO artists, the project aimed at highlighting Brazilian diversity and racial issues in the country.

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Bayer is a company that operates globally, thus its activities are subject to a wide range of legal regulations and statutory standards all over the world.

This makes Corporate Compliance a particularly relevant topic, as it means acting with integrity, whilst constantly observing the legal and ethical aspect. Any business that can only be accomplished by means of breaking laws or the company rules cannot be conducted. The company desires to grow in a sustainable fashion, always innovating, focusing on quality and fair operation. Bayer Corporate Compliance Policy reinforces this operation and is structured to guide the employees on how to act to comply with the rules. The document is based on proven principles that have always been the company's activity's guidelines: expertise, equality and reliability.

'COMPLIANCE W.I.N.S'

In order that the compliance principle is aligned within all countries where Bayer operates, the company maintains the concept 'Compliance W.I.N.S'. The letters 'W.I.N.S' refer to Worldwide Integrity is Necessary for Success. The goal is to make everyone acknowledge integrity as a base for sustainable success and maintain the company's good reputation.

COMPLIANCE WEEK

Besides the Corporate Compliance Policy, Bayer sponsors the Compliance Week, a week with several activities which promote employees understanding of the subject, strengthening appropriate actions and behaviors.

INTEGRATED COMPLIANCE MANAGEMENT

Integrated Compliance Management (ICM) is a global project, through which compliance experts and business areas cooperate to prevent possible standard and law breaches. These professionals work together in risk area assessment, process revision, mitigation and control device introduction, and internal public awareness, in order to assure the employees and businesses are protected against breaches of compliance.

INTERFARMA CODE OF CONDUCT

Bayer also complies with Interfarma Code of Conduct for its pharmaceutical businesses. The document's goal is to formalize the commitment of the companies associated with this entity and to guide their activities and relationships with health professionals and markets according to the highest ethical standards.

SUPPLIER CODE OF CONDUCT

The company has the Supplier Code of Conduct, which sets forth minimum standards concerning ethics, human rights, sustainability and quality of the suppliers. It also assures the suppliers acknowledge and comply with the values adopted by the company. Bayer prioritizes contracts with suppliers who have proven to have a good social-environmental conduct and who regularly perform technical audits and qualification concerning productive materials used in product manufacturing, considering social-environmental and best practices issues.



In 2016 Bayer released the Contract Lifecycle Management (CLM), a new contract management concept.

In 2016 Bayer released the Contract Lifecycle Management (CLM), a new contract management concept.

The new CLM system promotes a change in behavior and makes the business areas requesting a contract more responsible for document monitoring, keeping track of clauses, relevant dates and renewal terms.

This attitude improves the quality of contract monitoring and thus enables the mitigation of related risks, as it makes the parties aware of the liabilities, and how they are being handled.

With CLM, changes have also been made in the way that signed contracts are filed with the Legal Department. The contract data is put in the CLM system, and can be accessed by the parties at any time, who can also receive relevant reminders. CLM implementation in Brazil includes the migration of around one thousand contracts to the new system, the training of approximately 450 employees and the development of a Contract Services area, which checks the the system, supports users and files hard copies of the contractual documents.



Pharmacovigilance

The Pharmacovigilance area is responsible for monitoring Adverse Event reports occuring in every country where Bayer markets its human products and medications, from the early development and research stages to trading.

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Whenever a Bayer employee receives information on an adverse event as a result of the use of any product or medication from Pharmaceuticals and Consumer Health, he/she is responsible and liable for the submission of such data to Pharmacovigilance department within 24 business hours.

All this information is included on a global safety database. This is available to not only comply with global regulatory authorities, who monitor all adverse events involving Bayer products and medications, but especially assures the patient safety by means of medication risk-benefit assessment. Pharmacovigilance is essential for the business, as it assures product sustainability.

Due to good results achieved in recent years, the head office decided to expand pharmacovigilance activities in Brazil, implementing the risk management function.

Medical Information

Medical Information works to assure Bayer product safety and appropriate use, providing accurate, unbiased, consistent and updated information to health professionals, consumers and internal employees.

The area is responsible for developing scientific responses to complex questions received from the Sales Force and Customer Service areas. Bayer Medical Information also keeps accurate records by using the global Information Request Management System (IRMS) implemented three years ago.

The previous process consisted of submitting replies and printed articles to the consultant, who then delivered the material to the doctor. By utilizing IRMS, the requestor now receives the reply through electronic means, which assures time saving.

In 2013, 90% of the requests were forwarded by means of printed letters. Since 2015, there has been a relevant change in this model, and in 2016, 99.5% of the replies were sent by electronic means, with a more sustainable posture.

A further Medical Information innovation was the development of a direct channel to health professionals by means of the websites Universo Médico and Universo Farmacêutico. Through them, the professionals can request scientific material directly.



P2P Information Center

P2P (Purchase to Pay) Information Center, was established in 2013. It is responsible for Bayer's payment process, its ongoing management and maintenance.

The center is responsible for requesting material or services and dealing with the best practices and assuring transparency throughout the process. supplier after payment. The center's main mission is to assure more efficiency and speed in every process, thus, improving the relationship with partners, promoting

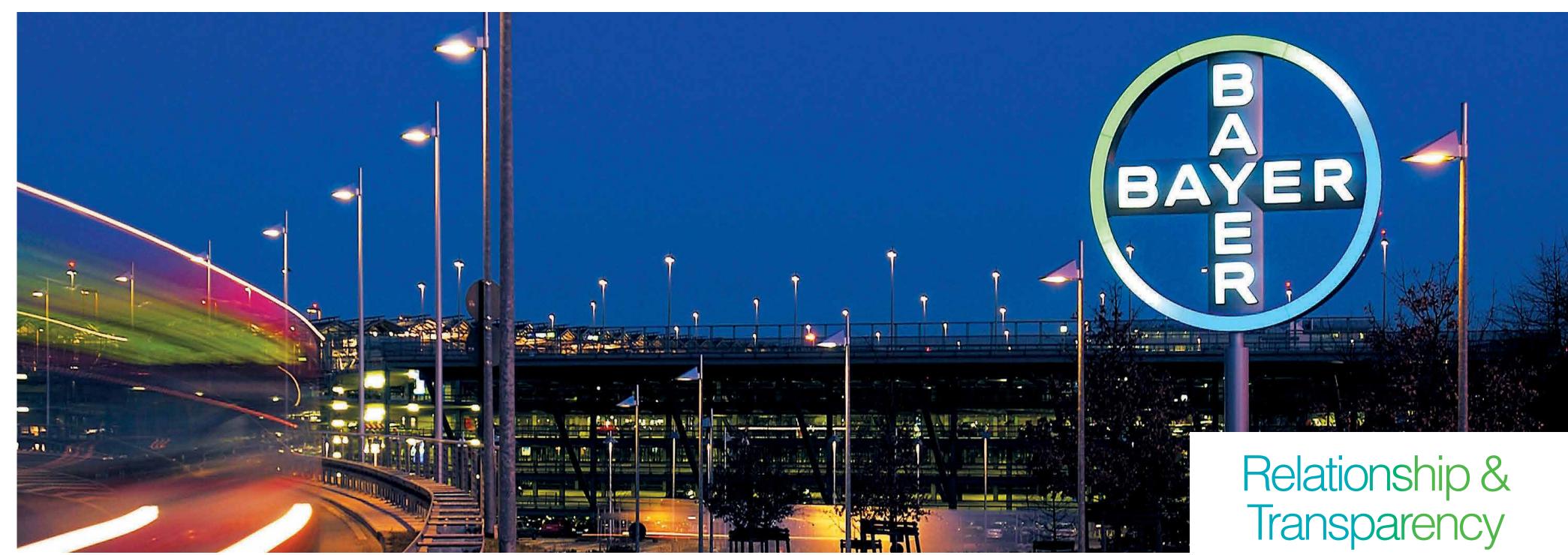
Order to Cash

Bayer has made progress with the Order to Cash project in Pharmaceuticals, Consumer Health and Animal Health areas, consolidating a more dynamic, transparent and collaborative template between internal areas and outside customers.

The integrated management template, besides resulting in more flexibility and economy in product delivery, it assures sustainable revenues and time saving. Further benefits were greater flexibility and scalability in the support and improvement of business growth and risk management.

In 2016, the integrated management kept developing positively, showing sustainability in changes and in the new work culture.

This project which started in Brazil has become a global reality by implementing a new Bayer organizational concept. Starting in August, 2016,, Order to Cash was officially instituted within the business service platforms. It is now part of the global template for integrated process management and service excellence.



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Bayer has a range of initiatives to foster an open and close relationship with its internal audience.

BREAKFAST OR HAPPY HOUR WITH THE PRESIDENT

This is a regular event held at the three sites. This activity is for the employees and a presentation is made by the President of Bayer Group in Brazil, or by the plant director. The presentation covers business-related subjects, as well as various other company issues. The program started in 2011.

COFFEE WITH HR

This initiative started in 2014. It is similar to the Breakfast with the President. However, the subjects concern the Human Resources field, including benefits, development, recruiting, LIFE values, life standard, employer's brand and topics

INTERNAL CAMPAIGNS

Its goal is the dissemination of news and the reinforcement of organizational culture key aspects. In 2016, 75 campaigns were conducted.

COMPLIANCE HOTLINE

The telephone hotline implemented in 2008 was dedicated to anonymous reporting of breaches related to compliance standards, as established in Bayer Corporate Compliance Policy.

HRDIRECT

This is Human Resources operational template, which started in 2009, providing employees with a high quality service, by means of internal communication

INTEGRATION PROGRAM

This started in 2009 and its goal is to make new employees aware of the organization's culture, its mission and values, business fields and the company's presence in Brazil and the world.

FACTORY MEETINGS

This event has been held since 2008, where factories meet with directors to discuss subjects such as targets, projects and issue clarification. Employees can submit questions in writing on the days before the event on topics to be debated.

TOWN HALL MEETING

Led by the Presidency of Bayer Group in Brazil, it is a regular meeting with company management for strategic debate. This meeting involves around 300 managers on every issue.



Media Relationship

Bayer Communication area has a constructive and ethical relationship with communication professionals and journalists, which enables the information on subjects related to the company's operation fields to reach the population by means of the media.

In 2016, Bayer Brazil was recognized by the magazine "Negócios da Comunicação" as one of the companies who communicates more effectively with the press, in the categories of 'Pharmaceuticals' and 'Agriculture'.

This recognition was a result of an on-line questionnaire with the participation of 25,000 journalists. The survey was audited by the British consulting group BDO Brazil.

Governmental Relations

Bayer has a Governmental Relations area which represents the company before government and institutions.

The Governmental Relations area also focuses on representing the company to other entities. Bayer is associated with dozens of corporate associations especially linked to health and agribusiness fields.

Community Relationship

Belford Roxo and Cancioneiro manufacturing units have relationship programs with local communities by means of an open channel to address questions or complaints reported to the company.

In Cancioneiro, every community report is evaluated and a reply (explanatory letter) is submitted to the sender. The employees are always instructed to respect the community, while assessing the impact they can cause to the neighborhood. This respect includes not using the car horn excessively, driving at low speed and managing truck logistic to prevent disturbances

In Belford Roxo Industrial Park, Bayer Consulting Community Council was established in 2006. It is comprised of local community representatives and is a direct communication channel between the company and community leaders. It deals with topics which include health, safety and environment. All guestions are addressed at regular meetings between the councilors and the company's representatives.



Worker Representation Commissions For over 20 years, Bayer has had worker representation Commissions in São Paulo and Belford Roxo.

The institutions, which are governed by formal statutes and are comprised of and are acknowledged as an important communication and mediation channel workers from different company sectors, have relevant role in collective discussions between the company and its employees.

Customer Service

For Bayer, consumers always come first. Hence, Customer Service focuses on improvements in order to provide even more channels to meet the needs of this significant audience.

In 2016, this area released two new service channels for patient support programs: a tool that enables contact with consumer via text messages, with interactive measuring of each treatment stage; and the expansion of chat services on the websites of the programs Superar (Overcome), Tempo de Viver (Time to Live) and Optivista. Another innovation was the expansion of online contact through webcam services for new patient presentations.

In addition, in 2016, Superar program was released. For the first time, two Bayer Customer Service pharmacists visited patients. This activity aims to provide a closer service during treatment.

Another improvement implemented in 2016 is the 'On-demand Scientific Consultant', whose goals are patient safety, correct medication use and immediate reply to doctors' urgent questions or needs. The service provides easy and fast access to doctors who search for scientific support, providing a direct communication channel with the company, through telephone, e-mail or videoconference. Currently, the tool is available for questions related to the product MIRENA®.



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Utilizing innovative products, Bayer's goal is to improve people's lives. In order to reinforce this mission, the company sponsors programs and maintains patient support partnerships.

'RETINA BRASIL' PATIENT ASSOCIATION SUPPORT

In order to raise awareness among the population, 'Retina Brasil' Patient Association received support from Bayer to modernize and update its site, and also to reactivate its toll-free line to provide information to patients with retina diseases, their family members and to the general public. Bayer invests in innovative therapies and one of its focuses is retina disease treatment, including wet form Age-Related Macular Degeneration (AMD), Retina Venous Occlusion (RVO), Diabetic Macular Edema (DME) and Myopic Choroidal Neovascularization (mCNV).

AMD is a degenerative central retina area disease, known as macular degeneration, which results in progressive central vision loss if not diagnosed and treated early. RVO is a disease where there is a retina blood circulatory clogging caused by obstruction (thrombosis); in retina central vein (CRVO) or in one of its branches (BRVO), a complication of which is the formation an edema in the macula region and the consequential visual decrease.

DME is an ocular complication of Diabetes Mellitus, in which there is the formation of edema in the macula, and it can cause severe vision loss and even blindness if not treated. Finally, mCNV is a complication caused by high myopia (myopia grade ≥ 6), in which there is a formation of a vascular network in the macula region, causing severe visual decrease.

BETAPLUS TM

Betaplus™ is a customized support service for patients with Multiple Sclerosis. Created in 1997 and renewed in 2016, it is an exclusive and free service to patients, family members and doctors, comprised of professionals specialized in the health field.

SCREENING PROJECT

In 2009, Bayer released the Screening Project, aimed at expanding hepatic node tracing. The goal is the support of institutions that face difficulties in performing routine ultrasonography or tomography (every six months) for cirrhotic patients.

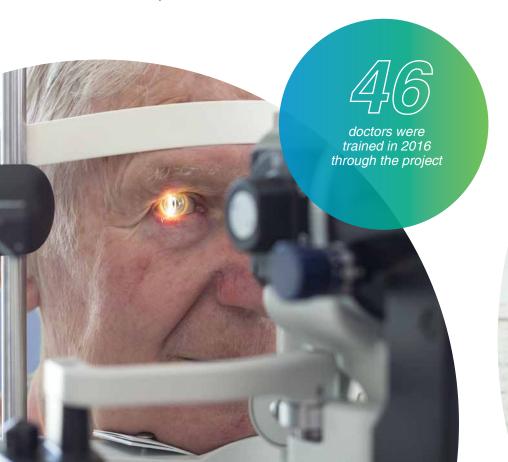
> In 2018, imaging exams were performed

'TEMPO DE VIVER' PATIENTS' PROGRAM

Released in 2009, 'Tempo de Viver' is a support and education channel for caretakers and patients under treatment with Bayer oncology products. It provides educational materials to assist therapy side effect treatment and handling. Currently, the telephone service team is comprised of pharmacists or pharmacy students.

PRECEPTORSHIP IMAGING HCC

Preceptorship Imaging is a project run in partnership with Clínicas Hospital, which has existed since 2013. In São Paulo, the initiative relies on the support of Dr. Denise Paranaguá, and in Sergipe with Dr. Alex Vianey, both liver disease experts (hepatologists). The project goal is to assist medical experts with ultrasonography exams in cirrhotic patients.





PRECEPTORSHIP REAL LIFE HCC

Started in 2013, Preceptorship Real Life HCC is a project run in partnership with São Paulo (lamspe and AC Camargo), Rio de Janeiro (State Public Civil Servant Hospital) and Salvador (Aliança Hospital) institutions, besides itinerant actions in Manaus and Porto Velho. The goal is to contribute to medical education, to promote experience exchange concerning adverse event treatment and to handle patients with hepatocellular carcinoma. In some instances, the patient service is performed along with the preceptor doctor and the ones that are being trained.

OPTIVISTA®

Optivista® is Bayer program for patients with a retina vascular disease (humid AMD, RVO, DME or mCNV), who search for follow-up and information on the diseases. This support is aimed at providing a better life standard, for patients, family members and caretakers during treatment.

CHRONIC THROMBOEMBOLIC PULMONARY HYPERTENSION (CTEPH)

In 2016, Bayer supported the Brazilian Association of Pulmonary Arterial Hypertension Carriers Friends and Family Members (ABRAF) in two relevant events: 7th National ABRAF Friend and Family Member Meeting, which relied on the main doctors specializing in this pathology, and with discussions on patient's rights and treatment access; and Support Group (SG) Meeting, that provides assistance to pulmonary hypertension (PH) patients and family members. In addition, Bayer is also partner of the project 'We Are Here', which aims at providing patient support regarding information on the services provided by the association.

Another important project that Bayer joined is Team Phenomenal Hope, led by ABRAF which, through races held all over the country, raises awareness of the media and the general public on this subject. Besides, it collects signatures for the digital petition on the internet, requesting meaningful changes which favor the PH patient. As of the end of 2016, 30 thousand signatures were collected.

Bayer is a partner of Casa Hunter, which is ahead of the Political Observatory project, whose goal is to monitor rare disease onset, focusing on the implementation of national policy of recognition of people with rare diseases in Brazil. The company also supported the Rare Disease Iberian American Congress, organized by Maria Vitória Association (AMAVI), which aimed at understanding and discussing the main patient needs and expanding the health access discussion.



Aligned with Bayer's philosophy of fostering and encouraging science, innovation and education, Bayer Brazil has sponsored this relevant museum since 2013.

Opened in 1924 as the Industry Palace, this imposing building, currently hosts Catavento Museum, which occupies 8,000 m2 in old downtown São Paulo. The Cultural and Educational Catavento, Science and Technology Museum of São Paulo Culture Secretary has been the most visited museum in the State for the last four years.

In 2016, the partnership between Bayer and Cultural and Educational Catavento was once more successful in terms of science and education. The company sponsored the DNA room renovation, located in the museum Life section, enabling the visitors to learn by means of an interactive approach.

With 175 m² and 7 meter high, the new room relies on interactive panels, iPads and a hologram that allows a trip through the human body, from the deepest layers to the cell core. There is also an over 3-meter high sculpture that exemplifies a human DNA molecule structure. The visitors can also be detectives and help in a criminal investigation on the unknown subject DNA identification.

CHEMISTRY LABORATORY **VISITOR NUMBERS:**

2014 61,719

2015 65,000

2016 120,000 people

Bayer also supports other spaces of the museum, including the Terrarium, the Chemistry Laboratory, the Butterfly Hatchery and the ASPIRINA® space. Bayer's goal is to contribute to young student's education so in the future they can develop creative solutions for global issues, including population growth, life expectancy and resource depletion.





Digital

Content

Bayer Brazil provides contents on Health, Life Standard, Sustainability and Social Responsibility on its networks.

BAYER JOVENS (BAYER YOUNGSTERS)

bayerjovens.com.br

The Bayer Jovens platform has been on air for four years and provides information on science, innovation, sustainability, culture, health and behavior. With clear and objective content, and connected with current subjects, Bayer Jovens fosters discussions among those who work for a better world. The platform was developed by Bayer Corporate Communication.

BAYER NA FARMÁCIA (BAYER IN THE DRUGSTORE)

farmacia.bayer.com.br

This website provides qualification courses and interviews, news, releases from the pharmaceutical industry and countless support materials that keep drugstore professionals well informed.

BAYER PARA HOMENS (BAYER FOR MEN)

bayerparahomens.com.br

Bayer para Homens is an channel of information that speaks the modern man's language. Its texts and tips dynamically approach subjects that are directly connected to a man's world. Life style, family, health, work and sex are the subjects that enrich the website's content and articles. Bayer para Homens is source of information for the man who knows that manhood also means being healthy.

ESCLARECIMENTO MÚLTIPLO (MULTIPLE CLARIFICATIONS)

esclarecimentomultiplo.com.br

The Esclarecimento Múltiplo website demystifies directly and clearly the issues on Multiple Sclerosis. Its content updates patients, professionals and family members concerning questions related to the disease.

GINECO

gineco.com.br

Stages of life questions and all feminine concerns are translated into articles, virtual magazine, interviews and the Feminine Expression program. The website provides the application 'Hora da Pílula' (Pill Time) to remind women on the correct contraception pill use.

PACIENTES (PATIENTS)

pacientes.bayer.com.br

Released in 2016, the website provides useful information for patients on medication's benefits and risks and how they are researched, developed, assessed with regards to side effects and safety.

UNIVERSO MÉDICO (MEDICAL UNIVERSE)

universomedico.com.br

Universo Médico is a relationship, service and information channel with a dynamic and interactive format, which aims at facilitating medical class work. It provides video classes, studies, news and medical calculators.

VIVA SUA VIDA (LIVE YOUR LIFE)

vivasuavida.com.br

Prevention, sexuality and information are the pillars that support this website, which focuses on human relations. The contents are aimed at sexual education.



Soccer School

Bayer Soccer School in Belford Roxo services yearly 250 children and youngsters from 11 to 19 years of age.

Focused on education, the athlete has to provide evidence school attendance and submit his/her grades regularly, to prove he has good student performance. In this way it contributes to reducing school evasion.

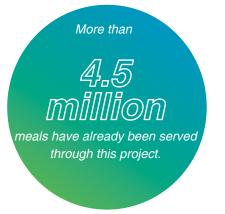
With 23 years of history, the soccer school provides the entire infrastructure for the sport activity development. In addition, it provides computer classes and writing and Portuguese workshops for school reinforcement.



Meal Support

Each day, around 1,500 children and youngsters from 2 to 14 years of age, from 18 associations and community day cares of Belford Roxo benefit from the Meal Support project.

The meals have contributed to healthy development, assuring school attendance and improving the performance and focus level of students. The project includes monthly soup supply and regular follow-up visits to the institution cafeterias during distribution times.





Inocentes de Belford Roxo

Grêmio Recreativo e Escola de Samba Inocentes de Belford Roxo, a samba-school from Rio de Janeiro, receives Bayer cultural incentive to assist with its carnival activities.

The company fosters local labor development, including seamstresses, dressmakers, smiths and carpenters...

Citizenship Olympic Games

Performed with Bayer sponsorship since 1995, the event relies on several sports competitions in women's and men's categories.

For disabled athletes, swimming, adaptive volleyball, indoor soccer, floor hockey and motor skill competitions have been performed for over ten years. This project was pioneered in Baixada Fluminense as it mixes sports incentive with social inclusion.

thousand children and teenagers participated in the Citizenship Olympic Games of which around 150 were disabled. More than 115 thousand athletes have competed in the Citizenship Dlympic Games during its 2 editions



Coppertone®, a worldwide brand of sunscreen, released the Movement "Conta Comigo Medina" (Stand By Me Medina) in the summer of 2016, in partnership with the surfer Gabriel Medina.

From November, 2016, to February, 2017, the company donated R\$1 from the sale of each sunscreen of the brand to Gabriel Medina Institute, an initiative by the athlete that built a compound to provide educational and sports activities to young talents (from 10 to 16 years of age) in Maresias region, on São Paulo northern seashore.

The institute's goal is to select children and teenagers from the region's communities, who will enjoy the activities provided by the compound. These include swimming classes, workouts, educational activities and various lectures. Despite the special connection with the town, Gabriel Medina and COPPERTONE® do not rule out plans to expand the Institute's project to other cities in Brazil in the future.

By teaching surfing in a playful way, it encourages youngsters to stay in school and enables the individual's social and intellectual development. The Institute is willing to show youngsters that, more than an athlete, there is also citizen development in every aspect. Besides changing the life of several teenagers who dream on improving their talent, social actions to all family also exist in the action plan.

The Stand By Me Medina Movement has a synergy with Coppertone®'s commitment to invest in people's protection, opening the way to everyone's participation, building and protecting the future of children and teenagers.





Created in 2013, Bayer Volunteer Group has fostered a range of actions with partner institutions, providing assistance, support and fun to children and the elderly of São Paulo. Check some of the activities carried out in 2016 by the group:

COAT CAMPAIGN

Performed jointly with the State of São Paulo, the campaign collected from Bayer employees around 1,300 pieces of clothing donated to government partner NGOs.

CLUB VACATION

In July, 2016, around 20 children of Gotas de Flor com Amor Institution had the chance to participate in a day of the Club Vacation action, organized by Bayer Club. The children played at the club and had lunch with company volunteers.

CHILDREN'S DAYS AT CATAVENTO MUSEUM

On October 13th, 2016, approximately 250 children of Princesa Isabel State Primary School visited Catavento Museum. This activity was organized by 20 Bayer volunteers, who prepared a breakfast and spent the day with the children.

MILK COLLECTION CAMPAIGN

On October, 2016, Bayer Volunteer group collected more than 2,600 liters of milk donated by the employees to Luz e Lápis Institution, which services over 50 needy children from 0 to 5 years of age. In addition and to support the cause, Bayer donated the same quantity collected.

VOLUNTEER LEAGUE 2016

From October 3rd to December 12th, 2016, the Volunteer League was held, an internal health competition in which employees were organized into teams in order to perform social activities. Points were scored by the teams, and in the end they competed for a value to be donated to some non-profit organization with social bias. There were more than 18 teams enrolled, including the ones formed by employees outside the city São Paulo. The first place award ceremony was held at Bayer Year-End Party.

POST OFFICE CHRISTMAS LETTER CAMPAIGN

By the end of 2016, the employees could also participate in the Post Office Christmas Letter Campaign, which sends gifts to needy children.

INTERNATIONAL VOLUNTEERS

Free time commitment to volunteering activities is an extremely valued action among the employees belonging to Bayer community all over the world. In order to highlight these people's attitude in society, Bayer Cares Foundation emphasizes creative strategy promotion to solve social issues, including the International Volunteer Program. In 2016, the official commission awarded two Brazilian projects, which received up to 5 thousand Euros from Bayer Cares Foundation to invest in solidarity initiative improvement, expansion or maintenance. They included: Guri na Roça NGO, an organization that services 100 children and teenagers of a suburban community in Jacareí, SP; and Restaurando Vidas, linked to Plantando a Esperança Association, whose mission is to assist people, families and communities in vulnerable situations, street living and social risk.

Volunteer Program



Inspired by solidarity and celebrations of Bayer 120-year operation in Brazil, the employees accepted the challenge of making blankets to be donated to elderly people.

The internal campaign Sewing for Solidarity that started in 2016, engaged the employees to make 120 crochet blankets as part of the celebration of Bayer's 120-year operation in Brazil. Friends and family members also collaborated with the production of the blankets.

After two months of work, the project was successfully completed. With the assistance and efforts of over 160 employees, Bayer produced and donated 131 crochet blankets to elderly people serviced by charity organizations who are the company's partners. Proudly, Bayer celebrates its community solidarity efforts, because the set target was accomplished.

The company provided materials including needles and wool to make the blankets and held workshops to those who wished to learn the craft. In all, the campaign benefitted 113 elderly people serviced by Ondina Lobo Home and by Vicentina de Vila Mascote Assistance, both located in São Paulo.

The opportunity to participate in this collective action and to bring some love and warmth to people in need was a major incentive to everyone.





Bayer Animal Health provides support for animal health, and to breeders, veterinarians and pet trainers by means of offering innovative solutions and therapies.

The company acknowledges animal well-being as a sustainable and strategic proposal, thus it supports the correct approach to assure animal health and comfort, whether intended for production or companionship. Some of these projects stand out:

MEDICÃO

Medicão services 14 institutions in eight cities, benefiting children, youngsters, adults and elderly people. It is an animal (dogs) Assisted Therapy project to improve life standards of patients of all ages and to assist their recovery process in hospitals, retirement homes and other institutions. Everyone is benefitted by the visits of teams formed by volunteers and professionals of Pedagogy, Physical Therapy, Occupational Therapy, Veterinary and Administration fields.



ANIMAL WELL-BEING WEEK

In the week when International Animal Day is celebrated, October 4th, Bayer, through its Animal Health unit, in partnership with NGOs AMPARA and Arca Brasil, sponsored an activity to raise public awareness regarding animal wellbeing. Created by the company, the Animal Well-Being Day reinforces the idea that all animals, whether intended for companionship or farm, deserve and must have basic care which respects, complies with and meets their needs. As part of the celebration, on October 7th and 8th, 2016, Animal Health sponsored an event at Villa-Lobos Park, in São Paulo, supported by SANIM VET Veterinary Blood Bank, in partnership with Veterinary Hospital of Universidade Anhembi Morumbi, to provide free dog disease diagnosis, especially Leishmaniasis, and also blood donations. All blood collected during the activity was forwarded to SANIM VET for later donation, free of charge, to animals who were undergoing specialized followup and required blood transfusion.

The people who visited the canine space could also follow parallel activities that celebrated the date, including dog adoption and agility and obedience performances by Bayer Gang dogs.

THE HOMELESS AND THEIR DOGS

The needs of people and animals that do not officially have a home are countless, and to meet a few of them, the project 'The Homeless and Their Dogs' (MRSC), supported by Animal Health, performs activities in downtown São Paulo every two months, during which free products and services are provided to homeless people.

In the project's tent, services were offered which included pet bath and shearing. On the days of the activity, Bayer veterinary products were also provided, including tick collar KILTIX®, food, beds and pet accessories, as well as pieces like clothing, shoes and hygiene item to homeless people. Morning meal kits were also donated to the people who visited the location.

The MRSC project was established in 2012 by the photographer Eduardo Leporo, who holds lectures where he reports on experiences with dogs who live on the streets, photographic exhibitions and presents the book "The Homeless and Their Dogs", a work of 140 pages that includes 19 stories, resulting from years of research and photographs from the streets of São Paulo. Besides giving visibility to this social issue, the publication's sales help to fund part of MRSC's action's expenses and foster solutions including neutering, vaccination campaigns, food provision and flea collars.

ADOTE UM GATINHO

Animal Health funds activities like Feline Fest and Christmas Bazaar, traditional events sponsored by Adote um Gatinho. The area also assists the NGO with flea collars, worming medications and antibiotics for the animals rescued by the project. Adote um Gatinho also maintains a partnership with Bayer to assist in the rescue of animals who show up at the Socorro site facilities, in São Paulo, so that the felines can undergo the care required and be later forwarded for adoption.



DOG FAN

Animal Health sponsored the renovation of the Dog Fan Space located in Villa-Lobos Park, in São Paulo. The space, designed to provide free recreation to pets and their owners, had free activities schedule at the area for six months in 2016. At weekends the visitors attended,, agility performances by Bayer Gang dogs, received health tips and information on animals, and attended free obedience classes for owners who were there with their dogs. The courses were provided by Maria Albertina Correia, president of Brazilian Agility Formation Academy (ABRAFA) and the Bayer Gang coach in charge.

LOTS OF MILK!!! LOTS OF FUN!!!

Established in 2005, the project 'Lots of Milk!!! Lots of Fun!!!' is intended to reinforce Bayer Animal Health partnership with dairy cooperatives to make milk – which is an important ally for a healthy and complete meal— a part of the low income community menu. By means of this activity, Bayer also supports production and distribution of milk, because their partner cooperatives facilitate the process of donating milk to the communities in the region.

Since May, 2016, the opening day of Dog Fan Space, more than



dogs were trained

14,500

Over the last three years, the project 'Lots of Milk!!! Lots of Fun!!!' donate more than 14,500L of UHT milk to the charities of Serra Gaúcha and Vale do Taquari regions, in Rio Grande do Sul

400

MRSC has already serviced around 400 animals that live on São Paulo's streets since 2015 (street action beginning)

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Young Medical Leader Program

Initiated in 2014, the program Young Medical Leaders is undertaken in partnership with National Medicine Academy.

The program's goals include the development and fostering of strategies to motivate and train young doctors up to 40 years of age. The areas include clinical medicine, surgery, public health, health management and experimental medicine.

Voluntários do Sertão

In 2016, Bayer supported NGO Voluntários do Sertão action held in Santa Cruz Cabrália (BA), who mobilized a volunteer team to provide medical and dental service, minor surgeries, lectures and health and personal care kit distribution.

For the third consecutive year, the company donated medications to the initiative and helped by providing over 40 thousand services. The initiative is promoting social assistance, health, food and nutritional safety, stimulating the volunteers with social change index follow-up.

This is an annual activity and the volunteer team is comprised of doctors with various specialties, dentists, nurses, psychologists, pilots, cooks, drivers, office clerks and general public who willing to help, and is led by experts in their related fields.

In the 2016 event, for the first time, indigenous populations were serviced by a campaign. Indians from 56 villages and 12 ethnicities were benefited by this activity. Besides the indigenous, the population from Cabrália and the region was also serviced.



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Partners in developing a sustainable agriculture.

One of human kind's greatest challenges is assuring adequate food supply for everyone. In 2050, the world's population will reach the amazing ten-billion inhabitant milestone. In order to assure proper nutrition for everyone, global agricultural production will have to increase around 60%. This situation gets worse due to issues including soil erosion, water scarcity and extreme weather conditions.

Bayer develops solutions so that producers can overcome such challenges. Crop Science division focuses on seed and cultivation protection, always in close cooperation with the food production chain partners, in order to provide healthy foods of high quality and in sufficient quantity.

The company believes that innovation and sustainability is the path to meet the increasing global demands for food, fiber and energy. That means increasing producer profitability, improving people's life standards and preserving the environment by using natural resources efficiently. Besides having sustainability integrated into its products and services, Bayer works with a range of activities to promote sustainable agriculture with its business partners.





























Bayer sustainability actions to foster sustainable agriculture are based on three operational measures:

INTEGRATED SOLUTIONS

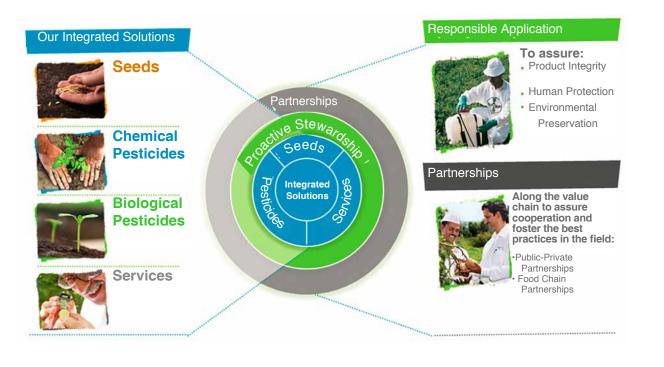
By means of high performance seeds, chemical and biological products to protect crops, and services.

RESPONSIBLE APPLICATION

It assures product integrity, its correct use, human protection and environment preservation.

PARTNERSHIPS WITH VALUE CHAIN

By means of such partnerships, the company expands all actions and enables the rural producer to achieve more value for his/her production, providing access to markets that value sustainability and responsible production of foods, fibers and





Bayer products and services contribute to agricultural sustainability: they enable higher income for producers, conserve and preserve the environment and improve people's lives.

For decades, Bayer has developed a comprehensive integrated solution portfolio, fostering agricultural sustainability by means of genetic improvement, seed treatment, agrochemical efficiency and safety, biological control and handling improvement, besides innovative services that meet rural producers' needs. Solutions are based on three fields: seeds and traits; cultivation chemical and biological protection; and services.

Every producer and production chain's need are met, enabling potential production improvement of different crops, from seeding, to vegetative and reproductive stages, to services that provide consultation and support to rural producers on various issues, including sustainability.

CHEMICAL AND BIOLOGICAL CULTIVATION PROTECTION: FOOD SAFETY **TECHNOLOGY**

Agriculture's future will be digital and highly accurate, as it will use products that incorporate new technologies to produce foods more efficiently and with the use of fewer natural resources, assuring productivity along with environmental sustainability. In such context, major agriculture features will be innovation and sustainability

Over the last years, Bayer has provided solutions in chemical and biological products that support sustainable agriculture and food safety to the Brazilian

Alion® is a pre-emergent herbicide to control wide and narrow leave weeds, and is available for sugar cane, coffee and citrus crops. Released in 2016, the new technology is a solution to one of the biggest tropical crops problems: weeds, which absorb fertilizers, nutrients and impact the plant productive capacity.

Alion® provides a lasting residual effect, enabling herbicide application optimization and crop sustainability by reducing water and fuel consumption when used. Because one less herbicide application is necessary in a 1.646 million hectare coffee plantation or a 546,000 hectare citrus plantation, for instance, it is possible to save 643 million liters of water, 3.4 million liters of diesel fuel and prevent the emission of 10-thousand tons of carbon dioxide to the atmosphere, all that in a one-year period.

In order to provide integrated solutions to rural producers, Bayer also has in its portfolio biological crop protection solutions, due to the fact that such control is a significant strategy to increase quality food production with safety, benefiting producers, consumers and the environment. Biological control is a natural phenomenon which includes regulating the number of diseases through natural enemies. Products with this feature provide new possibilities within integrated disease management, supplementing chemical treatment.

SERENADE® has fungicide and bactericide action, enabling sustainable and safe food production. It controls diseases and bacteria which can cause losses in productivity and quality, on crops like beans, soybeans, onions, potatoes, tomatoes, fruits and greeneries, among others. In addition, it provides several benefits to the producer, including more resistant plants, greater production uniformity, productivity increment, greater root growth, zero waiting period after application, and lifetime food increase.



DIGITAL FARMING

Besides the chemical and biological products portfolio, Bayer has a Digital Farming area, which provides several technologies to the producer to manage the farm in a more positive way. The digital tools allow more accurate and quicker decisions to be made in order to improve management and assure the implementation of strategies on the property to comply with sustainable agriculture.

Digital agriculture uses the latest technology tools, including satellite imagery and detailed weather forecasts to benefit the rural producer. Crop growth, for instance, can be more accurately monitored from space. Infrared images show areas which are experiencing stress even before the human eye can detect any external damage to the plants. The optimization of crop growth and fertilizer protection product application also stands out.

FRUIT AND VEGETAL PROTECTION

Bayer has focused on expanding chemical pesticide registration for fruits, vegetables and other crops on a lower production scale. Thus, the company enables the correct and safe use of the product by producers, facilitating a more effective pest and disease control in dozens of crops, resulting in higher production and quality in fruit and vegetable productivity. The products registered for these crops include Infinito®, Consento®, Oberon®, Nativo® and Mythos®.

SERVICES THAT SUPPORT SUSTAINABLE AGRICULTURE

In 2015, Bayer released AgriServices Network, an initiative that intends to develop the agribusiness by means of integration of all its key components. AgriServices Network sets forth a positive agenda focused on five operational fronts.

- Knowledge: it gathers knowledge, projects and activities aimed at research and innovation, not only in agronomy fields, but also business, logistics and industry.
- Institutional Relations: relationship with institutions concerning matters related to agribusiness.
- Society Relations: it deals with the rural producer worth and his/her relation with society.
- Business Generation: management projects and process improvements aiming at the business development of all Network participants.
- Business Sustainability: it includes activities aimed at agribusiness sustainability. The actions are related not only to environmental aspects, but also financial ones.

The AgriServices Network's purpose is to expand agribusiness participants' view and to help them to create the connections and skills required to improve and evolve their role in society. Hence, in order to support new business development, Bayer provides with this initiative service program a portfolio of around 300 options to the producer. Sixty of them are directly linked to the promotion of sustainable agriculture, including: food safety, education and certification for better agricultural practices, biodiversity, climate change, soil and energy use. By means of such services, Bayer encourages better practices for rural producers, and provides solutions which support the implementation of tools focused on sustainable agriculture.

Available options include services related to increase producer profitability, such as support to increase productivity by means of precision agriculture; weather forecast station use; and food waste reduction in the field by implementing grain storage improvements.

With regard to social aspects, services that support the producer are also offered,

from compliance with labor legislation, such as training NR 31 and Internal Week of Rural Labor Accident Prevention (SIPATR), to specialized support to improve talent management and rural worker development.

Concerning the environment, specialized services are provided in environmental management, renewable power use through co-generation from biomass, among others

Valore Program

Consumers increasingly search for foods with an origin guarantee and which are produced in sustainable fashion, in compliance with environmental and social aspects. This is a real concern in Europe and is on the increase in Brazil. Thus, certification of food has been consolidated within the tools to assist in the acknowledgement of responsible production, and best practices in the field, certifying the good management of agribusiness.

Available through the Agriservices Network, Valore is a program that encourages the rural producer to incorporate the best agricultural practices, assuring the link between productivity, profitability and social-environmental responsibility. Valore conforms to major international certifications, supporting the producers to achieve the relevant certification in soybean, corn, sugar cane, coffee, fruits and vegetables production. One of the goals is to add value to the production chain and to assure the Brazilian producers' competitiveness, providing support so that he/she is ready to meet the demands from the consumer for ethical and responsible products.

After enrolling in the program, the property undergoes a diagnostic performed by a consulting firm specialized in best agricultural practices, and a compliance plan is designed for the farm, followed by a technical follow-up by consultants during the whole certification process. In the end, the farm must fully comply with all the certification requirements, so that an independent audit certifies the veracity of best social, environmental and management practices.

The program is aligned with some of the major agricultural certification institutes, including RTRS, Bonsucro, GlobalG.A.P, UTZ, Rainforest, CRS, among others, guaranteeing that, by the end of the process, the rural producer has access to renowned international certifications.



In 2016, Valore was acknowledged as equivalent by certification institutes RTRS (Round Table on Responsible Soy) and Bonsucro, a major cane certification. In addition, it started a partnership with one of the most important NGOs that work in agricultural field, Aliança da Terra, which provides consultation within Valore to assist the producer with the implementation of the program.

Tracked and Safe Foods

In 2016, Bayer developed the fruit and vegetable tracking program providing customized services to the producer, which include electronic field notepad, training and tracking system. These services are provided in partnership with the company Paripassu, a market leader in Brazil.

The tracking program helps the producer to meet the retail network and consumer requirements to prove the food's origin, quality and safety. In the program's first year, more than 220 Bayer technicians, distributors and producers were trained on the subject in Brazil's main fruit, vegetable and greenery producing regions. In 2017, Bayer expanded the program to include partnerships within retail to support producers, who had already implemented the tracking program, so that they could have privileged access to offer their products to consumers.

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Bayer believes sustainability must be exercised throughout its production process.

Product responsibility is an underlying aspect of Bayer production process, emphasizing responsible field use, and always focusing on integrity, human life protection, and environment and biodiversity protection.

This approach benefits: rural workers, who are exposed less to risks and achieve better results in their work; producers who benefit in productivity as a result of efficiency maximization through appropriate product application; the environment, when solutions are used correctly and safely. This enables rational water use and protects biodiversity; the society, that receives safe products produced in responsible fashion; and finally Bayer, that assures its own business sustainability.

Before being approved by competent bodies including Anvisa, MAPA and IBAMA, Bayer agricultural pesticides undergo several tests which validate its human and environmental safety. Thus, if the products are used according to recommendations, they present no risk to the environment and the applier.

When we foster a responsible and ethical management process, from the products invention to its end-use in the field, everybody wins. In order to achieve this result, it is important that the rural producer is aware of the Best Agricultural Practices.

PROMOTING BEST AGRICULTURAL PRACTICES AND SAFETY IN THE

Bayer believes sustainability must be present within all its production process.

In order to make best practices feasible in all manufacturing processes as well as the agricultural pesticide safe use, and the correct disposal of packaging, Crop Science relies on a Stewardship area.

The activities developed help the customer to correctly and safely use products, protecting human health, environment and strengthening biodiversity. In addition, the initiatives minimize risks, increase portfolio value perception and approach of Bayer by its customer. With this as focus, Bayer promotes actions and awareness and education programs to rural workers, dealing with the importance of the proper handling of their products to comply with best agricultural practices. These actions included two programs that stood out in 2016.

Health in the Field

Best agricultural practices and safety in the field program, Health in the Field encourages rural workers to wear Personal Protection Equipment (PPE) and sunscreen. Performed in partnership with Farsul (Rio Grande do Sul Agriculture Federation) System, by means of National Rural Learning Service (Senar - RS), the program conducted 172 lectures in 2016, which were attended by approximately 3,900 people, including producers, rural workers and their families members, in 57 cities in the State of Rio Grande do Sul.

Industrial Seed Treatment

Seed treatment's goal is to provide good initial plant development, by means of proper amount and application of pesticide on weeds, prior to the seeding. In this way, it is possible to protect the seeds from pests and diseases that reach the plant during seed germination. One of the main benefits is the avoidance of loss and the assurance of food productivity and safety.

Another initiative within Stewardship activities is a program which trains workers to operate the equipment that treats the seeds, guiding them in regards to safe product handling and environment care.

As this process is performed by a machine, the workers are less exposed to products which results in a higher quality seed, treated with more safety, using less water, and with lower by product

generation, like dust.

Pesticide Application Technology; Agrochemical and PPE Correct and Safe Use: Seed Treatment Agrochemical Correct and Safe Use (Industrial and On Farm).



PROTECTING BIODIVERSITY

The Pollinator Health area is responsible for preserving biodiversity with a focus on studying insect pollination, especially bees, which are essential for the reproduction of several vegetable species. Bayer Brazil Crop Science division is the only one in the sector that has a team focused on this subject.

This team operates along with Bayer Bee Care Center, a global platform that concentrates Bayer's over 30 years of experience and knowledge in this subject. It develops projects and initiatives related to bee health all over the world. There are two centers, one in Monheim, in Germany, and the other one in North Carolina, in the United States, both are especially designed to hold meetings and presentations for bee-keepers, producers, research institutions, education professionals, and the general public.

In recent years in Brazil, Bayer has promoted several projects and activities, including lectures to rural producers and bee-keepers, meetings with experts, and visits to companies and apiaries, highlighting pollination relevance to agriculture In Mossoró (RN), for instance, the Bee Nutrition project was implemented in partnership with University of São Paulo (USP/Ribeirão Preto).

Also in Mossoró, the Melon Diagnostic project was completed, in which, by means of partnerships with local producers, the company helped to improve crop pollination. The region has 12 thousand hectares of melons, producing 93% of this fruit in Brazil. The cultivation depends completely on the pollination performed by bees in their cycle.

In partnership with Federal University of Ceará (UFC), Bayer gathered data about the farms' status, including dimensions, productions, locations and natural resources. It has also researched bee health and feeding. The goal was to know every company profile and how production works, enabling data generation with actual pollination needs in each location.

Another relevant project which shows Bayer's commitment to agricultural sustainability is the Online Pollen Catalogue Network (RCPol), sponsored in partnership with University of São Paulo (USP) and Federal University of Ceará

Among other activities, the network conducts a study of the flora around the apiaries honey production and cultivated areas, documenting the composition and distribution of the floral resources; it also intends to gather information from bee-keepers, honey producers, and rural producers on important plants to grow which are used by the bees to collect pollen (pollen production) and nectar (honey production). Besides USP and UFC, the project also relies on the participation of three other Brazilian universities, and also from institutions in Germany, Argentina, France, Spain and Colombia.



By encouraging the relationship between producers and business partners, Bayer works to value the grower and foster sustainability in the field.

FOOD CHAIN PARTNERSHIPS: WORKING TOGETHER FOR SUSTAINABLE AGRICULTURE

Food Chain partnerships are an innovative business template developed by Bayer, by means of which producers, traders, processing industry and retail work together, according to sustainable agricultural production principles. Bayer works as the facilitator, to bring partners and producers of high quality foods, energy and fibers together, in accessible and responsible fashion. All partners benefit from Food Chain initiatives as it improves safety, quality, increased productivity and traceability, all of which benefit the end consumer.

In Brazil, there is an area committed to developing such partnerships, and teams all over the country are responsible for implementing projects directly with producers. There are several initiatives that engage industry, retail and traders to support sustainable agriculture.

Producing Right Program

Released in 2015, it is a partnership with Unilever, Santander, Yara and NGO Aliança da Terra. Producing Right Program aims at increasing the responsible production of soybean in Brazil, fostering and providing technical guidance for the producers in order to implement the best production practices, social responsibility, environmental and labor management.

The producers who participate on the program are provided with all the support to achieved RTRS (Round Table on Responsible Soy) certification. This acknowledges globally that the soybean was produced in environmentally responsible, socially correct and economically feasible fashion. Obtaining this certification adds value to the crop and allows the producer to market the grain in highly competitive markets. The program was initiated in 2015 and in 2016 positive results could already be seen. Initially focusing on producing regions of Uberlândia-MG and Rio Verde-GO, 38 producers attained RTRS certification, which totaled 186,000 tons of certified soy. In all, more than R\$ 2 million were invested in social and environmental compliance and more than two thousand

hectares of native vegetation were replanted. A producer who planted corn during the same period also received grain certification, making them part of the first group in the world with a multi-crop model certification. In addition, these 38 producers who met the certification requirements received better payments for their soybean by Unilever, and together they shared more than R\$ 1 million as a result

CRS Certification - Cefetra

With the common goal to encourage sustainable agriculture, Bayer and Cefetra, a Dutch trade and supply company, which is one of the largest soybean importers in Europe, joined as a partnership to encourage the responsible production of soybean.

Bayer's role was to enable producers' access to Certified Responsible Soy (CRS) of Cefetra and RTRS. Thus, producers with sustainable certification were selected.



The project started in 2015, in Brazil's savannah region, with the aim of improving the production standards and qualifying the producers to meet the main international markets' sustainability requirements. Soy croppers with CRS and RTRS certification have shown they perform the best agricultural practices in environmental, social and labor responsibility, legal compliance and right to own

After the pilot stage, the program expanded in 2016, to reach 31 farms, of which, 17 received the certification. In all, 390,000 tons of soybeans were certified from 122 thousand hectares.

Sou de Algodão (I'm Made of Cotton)

Brazilian Cotton Producer Association (ABRAPA), supported by Bayer and Brazilian Cotton Institute (IBA), developed the campaign 'Sou de Algodão', with the goal of encouraging the fiber's use in the consumer fashion industry. It also attracted more resources to encourage the crop's sustainability in Brazil.

BUSINESS PARTNERS TOGETHER FOR SUSTAINABLE

Fostering Sustainability with our distributors

include priority themes to agricultural divisions in Brazil:

Besides Food Chain partnerships, Bayer works to foster initiatives with

additional business partners who collaborate with the rural producer to

increase production, in a responsible fashion and using fewer resources. As a result, it develops several initiatives involving partnerships with

customers, distributors and cooperatives, which foster sustainable

Fostering sustainability projects in the communities is also part of Bayer's best business policy guidelines, with its Crop Science division distributor

network. Thus, it is possible to foster relevant local impact assessed by

partnership action in relevant areas for sustainable agriculture. Projects

AGRICULTURE

Cotton is a crop that adapts very well to the Brazilian climate and the country relies on a high quality production, which is acknowledged worldwide, but is still unknown to the national public, as well as the fiber's beneficial features for dress and fashion industry. Moreover, Brazilian cotton is one of the most responsibly grown in the world, as 81% of the production is certified by the Brazilian Responsible Program (ABR) program, evidencing the best practices implementation in the producing

The program has initiatives specially conceived for groups which directly influence the end consumers, such as retailers and designers. The initiative started during São Paulo Fashion Week in 2016, when the brand 'Sou de Algodão' was released. At the time, themed T-shirts were designed with phrases supporting the campaign.

Partnership with cooperatives

In 2016 Bayer started a new program with partner cooperative in the country, aimed at adding value by means of developing solid relationships and growth of both businesses. One of the project's pillars is related to partnerships in food chain and sustainability, forecasting joint plan building to implement initiatives that add value to cooperative work in subjects including certification and best agricultural practices, traceability, environmental management, and new market access. One successful example of this is Our Water Project, which is in its 10th year of operation.

Established in 2006, in partnership with Integrada Cooperativa Agroindustrial, in Paraná, the project's goal is to raise awareness among cooperative members on the relevance of preservation, ciliary forest recovery, spring water conservation, contributing to native seed stock production, by means of substrate donation to municipal nursery plants and to Paraná Environmental Institute (IAP). The native species are provided to cooperative members to assist in the restoration of degraded area. Ciliary forests have the important function of improving water quality in rivers, streams and lakes, and are also responsible for maintaining rainwater flow, margin and ravine stability, and providing energy and nutrients to

Our Water Project – partnership for sustainability

the aquatic ecosystem.

In the last ten years, several initiatives added value to the project, generating benefits to the environment. During this period, over 1.2 million seed stocks were distributed in dozens of cities in Paraná. Seventy springs and over 700 hectares of ciliary forests were recovered. In addition, over 700 thousand juvenile fish were released in Piquiri, Tibagi and Ronquita rivers, all in Paraná, promoting river fish restocking.

There was also a substantial work on social and environmental education in which 13,200 students and 1,500 teachers of the schools in the areas serviced by the Cooperative were impacted. Employees with special needs were engaged in native seed stock production, which also promoted social inclusion in the project.



Over 700 hectares of ciliary forest 70 springs recovered 1.2 million native seed stock planted More than 15 thousand people traine 700 thousand fish released





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2014

- Você S/A Guide: The Best Companies For You to Work For.
- Você S/A Guide: The Best Companies For You to Start Your Career.
- Exame Magazine The Best and The Biggest: 71st place in overall ranking (among 1,000 companies).
- Valor 1000: The Best Company in Chemical and Petrochemical Category.
- Negócios da Comunicação Magazine: The Best Company in communicating more effectively with the press, in Pharmaceuticals category.
- Universum Institute 'Ideal Employer Top 100': 100 'ideal' companies for Brazilian university students.
- Época NEGÓCIOS 100 The Most Prestigious Companies in Brazil: Winner in Pharmaceutical Industry category.
- **INFO Magazine:** Brazil's Most Innovative Companies.
- DCI/ Target Marketing Survey: The most admired companies in the country in Chemical & Petrochemical category.
- BCG Excellence Award: Bayer Global Award for Bayer Youngsters in Digital category.
- · Aberje Regional Award: Bayer Youngster

2015

- Estadão Empresas Mais: Company of the year and first place in Chemical and Petrochemical sector.
- Valor 1000: Best Company in Chemical and Petrochemical category.
- Você S/A Guide: The Best Companies For You to Work For.
- Você S/A Guide: The Best Companies For You to Start Your Career.
- Exame Magazine The Best and The Biggest: 58th place in overall ranking (among 1,000 companies).
- Aberje Award: Digital Media of the Year (Bayer Youngsters).
- Negócios da Comunicação Magazine: The Best Company in communicating more effectively with the press in Pharmaceuticals and Health categories.
- Universum Institute 'Ideal Employer Top 100':
 100 'ideal' companies for Brazilian university students.
- Época NEGÓCIOS 100 The Most Prestigious Companies in Brazil: Winner in Pharmaceutical Industry category.
- Valor Inovação Brasil Yearbook: Second most innovative pharmaceutical industry in Brazil.
- Love Mondays Career Website: 5th place in the ranking of the companies that have the happiest and most satisfied employees in Brazil.

2016

- Você S/A Guide: The Best Companies For You to Work For.
- Você S/A Guide: The Best Companies For You to Start Your Career.
- InformationWeek 500 Magazine: One of 100+ IT Innovators in 2016.
- Mundo PM Magazine: '2016 PMO' award finalist.
- Love Mondays Career Website: 11th place in the ranking of the companies that have the happiest and most satisfied employees in Brazil.
- Exame Magazine The Best and The Biggest: 46th place in overall ranking (among 1,000 companies).
- Estadão Empresas Mais: first place in Chemical and Petrochemical sector.
- Época NEGÓCIOS 100 The Most Prestigious Companies in Brazil: Winner in Pharmaceutical Industry category.
- Tenet Partners Top 100 Most Powerful Brands Survey: Based on the world's largest open corporations' indexes, it highlights Bayer as the third most powerful brand in the world.
- Negócios da Comunicação Magazine: The Best Company in communicating more effectively with the press, in Pharmaceuticals and Agricultural categories..
- A Granja Magazine: Company of the year in 'Pesticide' category in A Granja 2016 Highlights award.

