



Science For A Better Life

Future – Goals – Strategy – Values

The Mission Statement of the Bayer Group



Werner Wenning
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We have set our course for the future. This new mission statement defines our future perspectives, our goals and our values, and guides our strategy at a time of sweeping change. It outlines to our stockholders, our customers, the public and especially our employees how we think and behave as a company. In seeking to arouse everyone's enthusiasm to contribute to Bayer's success, we aim to impart one thing above all else: the fascination that is Bayer.

Our Future – Our Goals

Bayer's products and services are designed to benefit people and improve their quality of life.

We have set out to create an enterprise that is keenly focused on its customers, its strengths, its potential and the markets of the future: a top international company renowned for product quality, employee skills, economic performance and innovative strength, and committed to increasing corporate value and achieving sustained growth. The Bayer brand symbolizes these goals throughout the world.

To sharpen our focus on innovation and growth, we have carried out a strategic realignment, placing our businesses into three subgroups that operate virtually independently and are fully aligned to their respective markets. They are supported by competent service companies.

With our distinctive knowledge of people, animals, plants and materials, we intend to focus in future on the areas of

- > health care,
- > nutrition,
- > high-tech materials.

By applying our skills in these areas we aim to

- > prevent, diagnose, alleviate and cure diseases,
- > contribute to ensuring a sufficient supply of high-quality food for an ever-increasing global population,
- > help people to lead fulfilling, active lives through the contributions made by our products in the fields of communications, mobility, sports and home living.

These activities offer access to major growth markets.

This mission statement underscores our willingness as an inventor company to help shape the future and our determination to come up with innovations that benefit humankind.

Of special importance in this respect are:

- > new products emerging from our active substance research,
- > the consumer health business,
- > the growth markets of Asia,
- > new areas such as biotechnology and nanotechnology.

Our Strategy

Our corporate strategy is aligned to our mission.



Bayer HealthCare

In **HealthCare** we are among the industry's innovative, global players.

We have positioned our **Pharmaceuticals Division** as a medium-sized supplier with global activities.

Its research and development are directed toward therapeutic areas where there is particular scope for innovation and where we already have to our credit successful products and/or promising product developments.

We plan to continue strengthening our core indications through inlicensing.

An extensive network of external partners and long-term alliances, such as those with biotechnology companies, strengthens our research platform and gives us attractive business opportunities in the markets of the future.

We believe biotechnologically derived active ingredients have considerable growth potential.

We plan to further expand our successful business in products for the **companion animals** market.

The **Consumer Care** and **Self-Testing** divisions each hold leading positions in their respective consumer health markets with such famous brands as Aspirin, Alka-Seltzer, Aleve, Bepanthen, Rennie and Ascensia.

In the future we will focus more strongly on our skills and experience in these near-patient markets.

We plan to systematically exploit opportunities for both internal and external growth.

Our goal is for Bayer HealthCare to become the world's leading consumer health company.

Bayer CropScience

Our **CropScience** subgroup is strongly positioned in the insecticides, fungicides, herbicides and seed treatment segments.

In addition, our **Environmental Science** business has a leading position in non-agricultural markets, for example in pest control.

In the **BioScience** business group, we are active in the seed segment and in the rapidly expanding field of plant biotechnology. We focus on crops for which we already have cutting-edge technologies and solid market positions – particularly cotton, canola, rice and vegetables.

Through the use of plant biotechnology and modern breeding, we are enhancing plants to increase the quantity and quality of food, feed and fiber. Plant biotechnology also affords us innovative opportunities for partnering within the Bayer Group, including plant-based production



Bayer MaterialScience

of pharmaceutical active ingredients and high-tech materials such as specialty plastics.

With our best-in-class portfolio and promising product pipeline, we aim to achieve growth rates well above the market average.

Our goal is to be the global leader in the crop science industry.

Our **MaterialScience** business units are among the global leaders in their respective markets. We hold particularly strong positions in raw materials for polyurethanes, isocyanates for coatings, and in high-performance polycarbonate plastics.

We possess acknowledged leading-edge technologies which, in light of the complex manufacturing processes and sophisticated products involved, should give us competitive advantages in the medium to long term.

We will concentrate on promising growth areas and markets and expand our activities, particularly in engineering plastics. The major focus of our investment in the coming years will be on the growth markets of Asia, especially China.

In **MaterialScience**, also, major opportunities are presented by new technologies which in many cases we are developing together with partners in the respective user industries.

Here, new compounds with creative functional properties and novel biotechnologically produced raw materials provide access to numerous fields of innovation. We plan to use nanotechnology to develop intelligent materials for products such as self-healing coatings or scratch-resistant, self-cleaning surfaces for plastics. Our electrically conductive polymers have led to completely new applications in luminescent films, electronic displays and high-performance capacitors, for example.

Our goal is to build a highly profitable business based on our leading market positions.

Bayer Business Services

This company is an established international supplier of IT-based administrative, commercial and scientific services.

Bayer Technology Services

Forming the technological backbone of the Bayer Group, this company offers innovative and comprehensive solutions in all areas of technology.

Bayer Industry Services

The extensive range of services provided by this company supports efficient manufacturing operations at Bayer's chemical parks in Germany.



Innovation and Growth

Bayer is an inventor company infused with a pioneering spirit. We invest extensively in technology because innovation is the foundation for competitiveness and growth, and thus for our future success.

By focusing our resources on the expanding areas of our innovative HealthCare, Crop-Science and MaterialScience businesses, we lay the foundations for sustained, long-term growth in future markets.

We believe synergistic potential exists in the use of our technologies by more than one of our subgroups. Here we draw on the expertise that our scientists have acquired over decades of interdisciplinary research.

Innovative applications for biotechnology and nanotechnology also hold promise for us in the future.

Supplementing the subgroups' targeted R&D activities is our subsidiary Bayer Innovation GmbH, set up specifically to turn innovative project ideas into new business concepts.

This company not only looks at individual products but also seeks to open up new business opportunities, such as those offered by the combination of materials and active substances in medical applications, or the continuing development of optical data storage media for security systems.

Creating Value

Another core element of our corporate strategy is rigorous value management. Our performance-related compensation systems reward and incentivize the achievement of our value-creation targets.

Portfolio management will continue to play a crucial role in the Bayer Group. We aim to continue improving our market positions through strategic acquisitions and alliances. We will divest activities that in the long term are unlikely to yield a return exceeding their capital costs.

Our Values

Common values and leadership principles form the basis for our day-to-day activities.



- Our employees throughout the world, with their abundant knowledge and their innovative capabilities, seek to play an active role in shaping the future on the basis of common values.
- We respect and value the ethnic and cultural diversity of all the people who work for Bayer, mindful that our success is founded on their skills and their commitment.
- We aim to achieve a sustained increase in corporate value in the interests of our stockholders, customers, employees, other business partners and society as a whole.
- We seek to retain the confidence of our stakeholders through the quality, performance and reliability of our products and services as well as through integrity, flexibility and openness in all our business dealings. We will strive for continual improvement in all these areas.
- Our actions are guided by the knowledge that we can only remain competitive by adapting to changing global conditions.

- Our customers remain the focus of our activities. We will work with them in a spirit of partnership to create value for both sides.

- We acknowledge and accept our role as a socially and ethically responsible corporate citizen and are committed to the principles of sustainable development.

- We will strive to actively contribute to the discussion of socially relevant issues by engaging in a dialogue with interested sections of society.

- We believe our technical and commercial expertise entails a duty to work for the good of all humankind, to demonstrate social commitment and to make a lasting and positive contribution to sustainable and environmentally compatible development.

- We place paramount importance on living our values in our work. The leadership principles on which we assess our managers are therefore based on these values.

- Our organizational structure encourages individual responsibility and entrepreneurship.
- We support our employees in both their professional and their personal development, helping them to deploy their skills and their creativity for their personal success and that of our business enterprise.

Our Values

A will to succeed

A passion for our stakeholders

Integrity, openness and honesty

Respect for people and nature

Sustainability of our actions



Bayer



Bayer HealthCare



Bayer CropScience



Bayer MaterialScience



Bayer Business Services



Bayer Technology Services



Bayer Industry Services



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