To the:

Business & Human Rights Resource Centre

**Bayer AG response to statements made by the “Coordination gegen Bayer-Gefahren / Coalition against Bayer Dangers” on taxes**

The “Coordination gegen Bayer-Gefahren / Coalition against Bayer Dangers” (CBG) has accused the Bayer Group of “tax-dodging tactics.”

Bayer is defending itself against this accusation.

Bayer is a global company that is strongly committed to Germany due to its operations and the location of the headquarters in Leverkusen.

We pay tax in all relevant countries on the basis of the added value generated there and observe the statutory regulations that apply in all cases.

The particular significance to the Bayer Group of Germany as a location is also clearly demonstrated in the income tax paid there. In 2013, this amounted to EUR 795 million, some 48% of all income tax paid, despite only 12% of the Group’s sales being generated in Germany.

The statements made by the CBG contain several factual errors.

For instance, the protest group claims that by ceasing to use the Schering brand name following acquisition of Schering AG, taxable profit was reduced by some EUR 405 million. This is incorrect. At no point did writedown of the Schering brand name reduce the Bayer Group’s tax liability in any way.

A further incorrect statement relates to the alleged relocation of brand name and trademark rights for Aspirin to the Netherlands. In fact, these trademarks are registered in Germany and lead to taxable income there.

Alongside incorrect statements and allegations that we can see no basis for, the CBG’s claims include misinterpretations and accusations that can only be attributed to a lack of understanding of the facts.

We believe it is important to know what the CBG stands for in order to understand its claims about Bayer.

Public statements have made clear that the CBG takes a fundamentally anti-industry and anti-capitalist position that is not always in line with the key principles and values of the freedom- and democracy-based constitution of the Federal Republic of Germany. For example, one of the organization’s aims is to subject Bayer to “gesellschaftliche Kontrolle” (“social control”).