

## “The Public Eye Awards 2006”

### **Nomination form A (irresponsible company behaviour)**

#### **Nominated company**

**Name:** Bayer AG

**Headquarters:**

Bayer Chemiepark Leverkusen  
Zentraler Besucherempfang  
Kaiser-Wilhelm-Allee  
D-51368 Leverkusen  
Germany

**Turnover/profit:** 2004: Net Sales = 29,758 million Euros; Net Income = 603 million Euros

**Industrial-sector/branch:** Bayer CropScience in particular

**Number of employees:** (2004) 113,825

**CEO:** Werner Wenning

**Further information about the company:**

Bayer AG is a massive German based chemicals and pharmaceuticals manufacturer. It has operations in most countries worldwide and is a key player in the development, commercialisation and sale of GE crops.

**Nominated for the following award categories (just mark *one* category with a cross):**

- Environment **X**
- Social (human and working rights)
- Taxes

**Reason for the nomination:**

*General information concerning the case and criterias of the irresponsible company behaviour*

In June 2005, Australia's worst case of GE contamination was discovered in a shipment of canola bound for Japan. The non-GE canola was found to have been contaminated with Bayer's GE herbicide-resistant 'Topas'. Since that incident, which involved canola from Victoria, further contamination has been found in canola from Western Australia and it is likely that the contamination is even more widespread.

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Instead of taking responsibility for this contamination and its ramifications, Bayer's response was to downplay the size of the contamination and it even stated in a press release that:

*"Trace levels of GM material is a reality in agricultural production systems around the world where seeds are exchanged between countries."*

This is only the latest scandal involving the company, which has an impressive history of corporate crime. Bayer was voted one of the Ten Worst Corporations of 2001 and 2003 by Multinational Monitor, and only escaped nomination in 2004 because of the publication's rule of not nominating the same company two years running.<sup>i</sup> In order to continue peddling its dangerous products, Bayer uses all the techniques it can think of - bribery, bullying tactics, lies, dubious science and litigation.

Bayer's career as a corporate criminal began in 1898, when the company first advertised heroin as a cough medicine for children. The company claimed it was harmless and helped cure colic.<sup>ii</sup> Bayer was also involved in the development and manufacture of a range of poisonous gases used in the trenches in WW1, including chlorine gas and mustard gas.<sup>iii</sup> In 1925, Bayer merged with several German chemical companies to form the notorious IG Farben, which went on to use slave-labour in their factories, conduct medical experiments on those held in the concentration camps and manufacture the poison gas used to kill thousands under the Nazi regime. The company was also involved in the development of the chemical warfare agents Tabun, Sarin and Soman.<sup>iv</sup>

Bayer was a major manufacturer of PCBs, and carried on producing these chemicals throughout the 1970s and early 1980s, despite the known health risks.<sup>v</sup> PCBs are believed to cause cancer and have been linked to skin, liver, immune system, reproductive system and learning problems.

After South Africa turned to generic AIDS drugs in a desperate bid to control its AIDS epidemic, Bayer was one of several large pharmaceutical companies to sue the South African government for patent infringement. After three years of international outrage, the case was withdrawn.<sup>vi</sup>

In 2000, a 5-year Yale University report was released that indicated phenylpropanolamine (PPA), an ingredient of the company's Alka-Seltzer Plus product, had caused 500 strokes and four deaths. Bayer had known the risks involved with PPA for several decades, but had taken no action. Bayer and other pharmaceutical companies responded by challenging the validity of the Yale University study and threatening legal action to delay a ban by the US health authorities.<sup>vii</sup>

In 2003, Bayer pled guilty to defrauding the US federal government out of hundreds of millions of dollars in Medicare payments and agreed to pay a \$5.5 million criminal fine.<sup>viii</sup> The same year, it was revealed that, in the 1980's, a Bayer subsidiary continued to sell blood-clotting medicine for hemophiliacs to Asia and Latin America for over a year after the product had been withdrawn in the West, due to evidence that it was infecting hemophiliacs with HIV.<sup>ix</sup> It was also revealed that Bayer had fed students a highly hazardous pesticide linked to serious disorders. Bayer tried to use the results of the study to argue that restrictions on pesticide use should be eased, because no immediate adverse effects were suffered.<sup>x</sup>

In 2004, Bayer agreed to pay \$66 million to US authorities to settle price-fixing charges; faced demands for compensation from the families of 24 Peruvian children killed by one of its pesticides and pushed for the import GE rice into the EU. It was also discovered

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that the company had contaminated groundwater in a South African town with the carcinogen hexavalent chromium and that its pain killer Aleve (naproxen) increases the risk of heart attack.<sup>xi</sup> Evidence also came to light that Bayer had kept its anti-cholesterol drug, Baycol on the market for four years after it first became aware of the dangers associated with it. The drug has been associated with approximately 100 deaths and 1,600 injuries worldwide from side-effects, including severe muscle wasting and kidney damage.<sup>xii</sup>

#### *Consequenses*

GE crops are an entirely new form of environmental contamination. As living organisms, they can reproduce and once released, are very difficult to control or recall. It is nearly impossible, for scientists to predict the myriad of possible changes that may occur as a result of the genetic engineering process. These changes may result in environmental and human health impacts that simply cannot be predicted.

Despite having been approved by regulators in many countries, serious concerns remain regarding the environmental impact of GE crops. These concerns include biodiversity impacts, genetic pollution, increased pesticide use and the emergence of pesticide resistant weeds and insect pests.

What is most worrying about the Topas contamination scandal, is that we still don't know where the GE seeds came from, or how widespread they now are in Australia. They could have come from Bayer's trial plantings in Victoria, or from imported US seed. Australian canola growers could now be unknowingly growing GE canola – putting Australia's reputation as a GE-free country at risk.

#### *Current status and requirements*

Greenpeace proposes that State governments introduce a zero tolerance for genetic contamination and strict liability legislation to protect farmers, consumers and our environment. It's only fair that biotech companies take full responsibility for the GE products they design, patent, and sell. They must certainly take full responsibility for any harm or contamination that their products cause.

#### *References/sources*

See endnotes

#### **Nomination from:**

**Organisation:** Greenpeace Australia Pacific

**Contact person:** Jeremy Tager

**Address:** GPO Box 3307, Sydney, NSW, 2001, Australia

**E-Mail:** jeremy.tager@au.greenpeace.org

**Telephone:** 0061 7 3892 7538

#### **Laudation in Davos**

**X** We can send a person for the presentation in Davos at the end of January  
**Name of this person:** Jeremy Tager (contact details above)

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