

# Roundup still in SA despite cancer fears

Bayer defends weed killer after damages award in US court

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● Pharmaceuticals company Bayer says its subsidiary Monsanto will continue to sell its Roundup weed killer in SA despite a US jury last month awarding nearly \$80m (R1.1bn) to a man who claimed it had given him cancer.

According to court documents, Edwin Hardeman, 70, used Roundup for 30 years. Though no direct link between Hardeman's cancer and Roundup has been confirmed, the jury voted in his favour on the basis that there were insufficient warnings about the risk of using the product. Last year, a jury awarded Dewayne Johnson, who has non-Hodgkin's lymphoma, \$78m in damages for his exposure to Roundup.

## 'Not carcinogenic'

Magda du Toit, corporate engagement manager for Bayer SA, said: "We are disappointed with the jury's decision, but this verdict does not change the weight of over four decades of extensive science and the conclusions of regulators worldwide that support the safety of our glyphosate-based herbicides and that they are not carcinogenic.

"The verdict ... has no impact on future cases and trials, as each one has its own factual and legal circumstances. Bayer will appeal this verdict. Bayer stands behind our products and will vigorously defend them."

Monsanto has been selling Roundup

## Bayer and CEO hack away as weedkiller war rages

● Bayer has mounted a campaign to reassure staff and shareholders that it can contain fallout over its newly acquired weedkiller Roundup, even as an advisory group urged investors to protest against management's actions and pay.

CEO Werner Baumann held a conference call with employees around the world this week, assuring them that the 155-year-old German company will weather the challenge despite a second loss in US courts, according to people familiar with the situation.

Investor trust in Baumann is slipping, with proxy adviser Glass Lewis & Co questioning his bonus and urging a vote of no confidence in him and other executives at Bayer's annual meeting this month.

Pharmaceuticals chief Stefan Oelrich held a similar conference call focusing on strategic priorities, said the people, who asked not to be identified because the calls were private.

Other divisional managers also

conducted briefings, according to one person.

The internal damage-control initiative comes as Baumann prepares for the April 26 meeting of shareholders angry at how the company's fortunes have faltered since it completed the \$63bn (R889bn) acquisition of Roundup owner Monsanto in June last year. The shares have dropped about 40% since then, wiping out more than €35bn (R554bn) in market value.

A Bayer representative declined to comment on internal communication. The company has repeatedly said it will defend Roundup vigorously and that scientific studies have shown its key ingredient, a chemical called glyphosate, to be safe. More than 11,200 lawsuits in the US



seek to link the herbicide to cancer.

German shareholder gatherings are popular and occasionally fractious affairs: thousands of investors plunder the buffet, and CEOs are grilled on minute details for the better part of a day.

In one sign of shareholder protest at Bayer, corporate governance expert Christian Strenger, a former CEO of DWS Investments, has filed a motion proposing that management board members should not be discharged of responsibility for their actions last year. Should it pass, it would have few practical ramifications but would be a harsh rebuke for Baumann and other managers.

Bayer's supervisory board has backed the CEO, writing this week that he and other top managers "discussed the opportunities and risks of the acquisition

very extensively and in numerous meetings and carefully weighed them" before agreeing in September 2016 to buy Monsanto.

Nonetheless, there's potential for the glyphosate cases to further erode value for shareholders, Glass Lewis said.

The advisory firm counselled shareholders not to ratify Baumann's actions. Glass Lewis criticised the supervisory board for not seeking a more independent audit committee and for boosting Baumann's cash bonus by 28%, to €1.7m, for 2018.

"A limited reduction, rather than increase, in the CEO's cash bonus would have represented a positive signal to shareholders," said Glass Lewis.

A Bayer representative declined to comment on the Glass Lewis recommendations.

Bayer supervisory board chair Werner Wenning, who has been close to the CEO for decades, was also one of the main architects of the Monsanto deal. — Bloomberg

products – which contain glyphosate, the active ingredient said to cause cancer – for more than 40 years. It is unclear whether Monsanto plans to remove the products from South African shelves.

Du Toit said Roundup herbicides were typically used in row crops before planting and in crops grown from genetically engineered seeds, such as cotton, maize and

soya, to control weeds. It was also used in wheat fields, orchards, vineyards and to clear fields for fire control.

She said global regulatory authorities considered glyphosate-based herbicides safe when used as directed.

She cited 800 studies, including a 2018 National Cancer Institute study that found there was no link between glyphosate-based

herbicides and cancer, as evidence of the products' safety.

However, 2015 research by the World Health Organisation's International Agency for Research on Cancer found that glyphosate was a probable carcinogen, or cancer-causing substance.

The department of agriculture, forestry and fisheries said although it was aware of

the developments in the Roundup case in the US it was not looking to have the products removed from SA shelves unless it received compelling information.

Rico Euripidou, the environmental health campaign manager at GroundWork, a non-profit environmental justice organisation, said: "Corporations, like big tobacco and the oil industry, have fostered the myth that their

products are essential to life as we know it – and harmless if 'used as directed'. This again is the case with Roundup and the multinational Monsanto," said Euripidou.

He said most farm workers in SA were not properly informed about Roundup's hazardous properties, sometimes couldn't read or understand the labels and did not have equipment to protect them from exposure.

"Most farm workers I have observed (especially in the forestry sector) who apply Roundup do so with leaking knapsacks on their naked backs, or soaked through T-shirts during the many calendar days when they are applying the weedkiller.

"If they get sick they are taken to a rural clinic which is not equipped to understand nor manage or measure their exposure and treatment, and instead if they are too sick to work they will in all likelihood be sent home to deal with their health impacts themselves," Euripidou said.

Gerhard Verdoorn, stewardship and operations manager of CropLife SA, an international trade association of agrochemical companies, said reviews by the European Food Safety Association and the US Environmental Protection Agency "are conclusive that glyphosate does not cause cancer in humans. We regard glyphosate as safe for use if label instructions are adhered to."

He said farm workers should wear protective clothing such as long trousers, long-sleeved overalls, rubber gloves, rubber boots and facial cover when required.

Katishi Masemola, general secretary of the Food and Allied Workers Union, said some farmers ensure their staff work in safe environments but generally farmers do not take the health and safety of their workers seriously. It is also difficult to represent farm workers as they work in far-flung areas.