

ANNUAL REPORT 2010-09-13

Member organization's name:	Bayer Santé Familiale - Division Serdex
Main address:	Z.I. du Pont Long, Route de Bordeaux 64140 - Lons France
Webpage:	www.serdex- plantextracts.com

COMPANY DESCRIPTION

Serdex is a division of Bayer Santé Familiale, whose main activity is the production and sale of OTC drugs. Serdex produces active natural extracts of tropical plants for pharmaceutical or cosmetics applications. Originally all its business was in the pharmaceutical sector.

Serdex is recognized as the specialist in natural active ingredients from tropical plants. To reach this goal, Serdex is acting and competing in three main areas:

- Specific ethnobotany expertise to guide both its own development as well as its partnerships with clients.
- Its investment in R&D drives its development.
- Sustainable development and fair trade are an integral part of its strategy.

As UEBT member, the division Serdex of Bayer Santé Familiale is committed in the steady improvement of its organization and management of herbal supply in order to consider the impacts on biodiversity, sociological and ecological issues in connection with wild herbals collect. Serdex therefore works in compliance with Ethical BioTrade guidelines and tries to provide the most appropriate answers to upgrade its business and supply model involving herbals in Madagascar, local partners and Madagascar communities.

UEBT MEMBERSHIP OBLIGATIONS

Steps	Dates <i>Historical/expected</i>	Verification Body
UEBT audit 1	2008-03-28	SGS
Provisional Membership, if applicable		
Work-plan approval	2008-06	SGS
Membership status granted	2008-11-03	
Annual report 1		
Annual report 2	2010-09-08	
Audit 2	2011	
Annual report 3		
Audit 3		

Impact measurement indicators submitted to UEBT?
Implementation indicators submitted to UEBT?

Yes
Yes

No
No

Narrative report submitted to UEBT? Yes No

Documents annexed for public use? Yes No

If so, number of annexes:

Description of the annexed documents:

PROGRESS IN IMPLEMENTATION OF UEBT WORK-PLAN

Percentage of the work-plan implemented

Around 50% of the total work-plan of Division Serdex - Bayer Santé Familial has been implemented between 2008 and 2010.

Progress in the implementation of the UEBT work-plan

Principle 1. Conservation of biodiversity

Management system	
Supply chain	Promotion and collaboration with local authorities for biodiversity conservation are in implementation. Contacts, actions and discussion are taken to know better the local environment such as its ecosystems, its politics and its culture.

Principle 2. Sustainable use of biodiversity

Management system	
Supply chain	Training took place and procedures had been implemented to create a better management system at the level of the intermediaries for the biodiversity use. A report co-financed by Serdex had been released. It deals with the chemical variability of Centella and the resource sustainability. Still the system in place with the intermediaries and the collectors needs improvements.

Principle 3. Fair and equitable sharing of benefits

Management system	Development of an internal policy on patents and biodiversity.
Supply chain	Implementation of mechanisms to monitor and improve dialogue with local actors and partners. Commissioning a report to establish the baseline for social conditions in the area, allowing review of contribution of activities to local sustainable development.

Principle 4. Socio-economic sustainability

Management system	
Supply chain	

Principle 5. Compliance with national and international legislation

Management system	Company-wide training on the practical implementation of key concepts and principles derived from the Convention on Biological Diversity, including prior informed consent.
Supply chain	

Principle 6. Respect for the right of actors

Management system	
Supply chain	Serdex asked and provided support to the local partners in order them to set signed agreements for the respect of human rights and give empowerment to the communities working in the traditional areas. A mapping have been done on the traditional areas identifying sites of special interest as defined in the UEBT Standard.

Principle 7. Clarity about land tenure, right of use and access to natural resources

Management system	Company-wide training on the practical implementation of key concepts and principles derived from the Convention on Biological Diversity, including prior informed consent.
Supply chain	

Changes in UEBT work-plan

Some modifications have been made to the UEBT work-plan on the basis of changing circumstances and a learning process on the ground. For example, the current political situation in Madagascar has had an impact on discussions with local authorities. In addition, after assessing the implementation of new tools and approaches, some potential improvements have been identified. On the basis of experiences with the school garden, for instance, more focus will be put on the link with children's nutrition and with possible incomes from plant cultivation, which would guarantee the durability of the project. As a result, some deadlines have been changed (with some postponements to 2011) and some activities will be reviewed to ensure a more effective implementation.

ADDITIONAL INFORMATION

Serdex was audited and received organic certification for wild collected species from Ecocert.

Following an allegation of biopiracy by a non-governmental organization in 2009, Serdex addressed relevant claims in a statement available on demand, as well as began internal discussions leading to updates in related plant applications and the creation of an internal policy on patents and biodiversity.