

Shareowners Warn Monsanto, Dow, Kraft and Coke on GMO Foods

Robert Kropp | Oct. 16, 2013

Next month, voters in Washington will decide whether food companies doing business in the state will be required to label food products that contain genetically modified organisms (GMOs).

The intent of Initiative Measure No. 522 "is to ensure people are fully informed about whether the food they purchase and eat was produced through genetic engineering so they may choose for themselves whether to purchase and eat such food," the proposed bill states.

In 2012, two genetic engineers associated with Earth Open Source produced a 123-page report titled "GMO Myths and Truths," which asserted that GMO crops can be toxic, allergenic or less nutritious, and are insufficiently regulated to ensure safety.

"American consumers simply want the same rights as consumers in 64 other nations that require GMO labeling," said Scott Faber, vice president of the Environmental Working Group (EWG).

Despite that polls show that more than 90 percent of Americans want food products containing GMOs to be labeled, no federal regulations mandate such labeling in the U.S. Maine and Connecticut have passed labeling laws that are yet to be implemented, and a similar law passed by Vermont's House of Representatives will be taken up by the state Senate early next year.

In California last year, a bill to label food products containing GMOs was narrowly defeated after industry giants, such as Monsanto and DuPont, spent \$46 million to influence the vote. In a press release, a coalition of investors opposed to corporate interference in the Washington vote noted, "Many of the companies that contributed to anti-Prop. 37 measures experienced significant consumer backlash on social media sites and were the subject of consumer boycotts."

Nevertheless, the same trend is under way in Washington, where corporations have spent more than \$17 million in their efforts to defeat the measure. Once again, Monsanto and DuPont lead the way in spending; Monsanto alone has reportedly spent almost \$5 million.

Even before the millions of dollars were spent to defeat GMO labeling in California and Washington, the food and agriculture biotechnology industry spent nearly \$600 million in political contributions and lobbying "to ease the regulatory oversight of genetically modified foods," Food & Water Watch reported in 2011.

In response to such flagrant attempts to buy a vote outcome, several investor groups have joined in filing shareowner resolutions requesting that companies refrain from making political donations to influence elections. **As You Sow** has filed resolutions at Monsanto, DuPont, and Dow Chemical, and plans to file at General Mills and Abbott Laboratories as well. Green Century Capital Management says it will file a resolution with Kraft, and EWG will file at Coca-Cola



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and PepsiCo.

The investors say that they will contact almost 30 additional companies, and the top 50 corporate opponents to the California measure will receive letters requesting that they refrain from political spending.

"Companies that get involved in highly controversial public policy issues risk alienating their consumer base," Lucia von Reusner of Green Century said. "Using shareholder funds to publicly oppose transparency and the public's right to know threatens to erode consumer trust, and exposes the company to significant risks as a result."

"Smart companies increasingly recognize that the real cost of lost brand reputation and consumer loyalty far outweighs the imaginary costs of labeling," Faber of EWG added.