

July 29, 2014

Hugh Grant
Chairman of the Board, CEO
Monsanto Company
800 N. Lindbergh Blvd.
St. Louis, MO 63167

Dear Mr. Grant,

As investors, we seek to understand and minimize any risks the companies we invest in are exposed to through their role in the public policy arena. We are writing out of concern that Monsanto Company's expenditures to defeat ballot initiatives that would provide consumers with labeling information regarding food containing genetically modified organisms (GMOs) expose the company to significant business risks. Last fall, 28 investor advocacy and wealth management organizations voiced their concerns to the top 50 corporate donors opposing California Proposition 37.¹ Although many companies continue to expose themselves to unnecessary risk, 14 of the top 50 donors opposing Proposition 37 in 2012 chose not to spend corporate funds to oppose Washington Initiative 522 in 2013.² We, the undersigned investors (collectively representing more than \$36 billion in assets under management) are writing to urge the Monsanto Company to refrain from spending corporate funds to oppose GMO-related ballot initiatives and GMO-related legislation, or from secretly channeling such expenditures through trade associations.

Corporate money in politics is a controversial issue among the majority of the American public, and many companies have explicitly adopted a policy to not engage in certain types of political spending. For example, more than 85 companies have ended their membership with the American Legislative Exchange Council (ALEC) which supports controversial positions on public policy issues such as gun control and climate change.³ However, since the high-profile U.S. Supreme Court case *Citizens United v. Federal Election Commission*, corporate contributions to election campaigns have skyrocketed. Corporations contributed to the estimated \$6 billion spent on the 2012 electoral cycle - more than double the amount spent in 2000 - through direct contributions to candidates and parties, ballot referenda, 527 committees and super PACs, as well as indirect contributions through trade associations.⁴ These developments are deeply unpopular among the U.S. public, with more than 8 in 10 Americans supporting limits on the amount of money given to groups trying to influence U.S. elections.⁵ The ramifications for companies can be severe; Bannan Communications' national poll found that 79% of respondents would boycott a company to protest its political spending, 65% would sell stock in the company, and over half would ask their employer to remove it from their retirement account.⁶

Corporate contributions to trade associations have increased in recent years, since these organizations do not have to reveal their donors. The US Chamber of Commerce pledged to spend \$100 million during the

¹ Chicago Tribune, Oct. 9 2013, "Greens ask U.S. biotech firms to sit out food-labeling vote," http://articles.chicagotribune.com/2013-10-09/business/sns-rt-us-usa-agriculture-gmo-20131009_1_food-labeling-washington-state-biotech

² The 14 donors are: Kraft Foods, Syngenta Corporation, Smithfield Foods, Biotechnology Industry Organization, Heinz Company, Mars Inc., Unilever, Sara Lee Company, Dole Packaged Foods, Wrigley Jr. Company, Tree Top Inc., Hero North America, Mead Johnson Nutrition Company, and Faribault Foods.

³ As You Sow, Proxy Impact, & Sustainable Investments Institute, 2014, *Proxy Preview*, www.proxypreview.org/#proxy-preview-2014

⁴ Center for Responsive Politics, Mar. 13 2013, "The 2013 Election: Our Price Tag," <http://www.opensecrets.org/news/2013/03/the-2012-election-our-price-tag-fin.html>

⁵ Wall Street Journal, Sep. 17 2012, "Poll: Most Americans Support Limits on Political Spending," <http://blogs.wsj.com/law/2012/09/17/poll-most-american-support-limits-on-political-spending>

⁶ Bannan Communications, 2012, *Support for Reform of Corporate Political Spending Practices*, www.citizen.org/documents/bannan-communications-research-executive-summary.pdf

2012 election cycle to support candidates focused on corporate concerns.⁷ According to Public Citizen, only 32% of groups broadcasting electioneering communications during the 2010 primaries revealed donor identities in their Federal Election Commission filings.⁸ However, these relationships are drawing increasing public scrutiny, and thus carry reputational risk similar to direct political spending.

In the first comprehensive study of corporate contributions to ballot measures, the Center for Political Accountability found corporations often contribute to referendums without a clear business rationale, putting shareholder value at risk.⁹ Many companies that opposed the high-profile ballot initiatives in California and Washington state to label foods with GMOs suffered significant consumer backlash.^{10,11} The Washington state Attorney General sued the Grocery Manufacturers Association for collecting and spending funds (\$11 million to oppose Washington Initiative 522) while shielding the identity of its contributors.¹² Monsanto is recognized as one of the top 10 contributors to the campaigns opposing California Proposition 37 and Washington Initiative 522, spending \$13,487,350 to oppose the two referenda. Industry opposition to GMO labeling initiatives in Oregon and Colorado has already generated national press more than six months before the election.^{13,14,15,16} The continued use of corporate funds to influence the election, directly or through trade associations, will further damage the Monsanto Company's reputation among consumers.

Draining corporate funds to oppose these initiatives is especially unproductive as GMO labeling laws and bans continue to gain momentum. Recently, Vermont passed a comprehensive GMO labeling law¹⁷, and two Oregon counties passed initiatives banning the cultivation of GMO crops¹⁸; Connecticut and Maine have passed labeling laws that will trigger when other states (including New York) follow suit¹⁹; and Alaska has passed a law to label genetically modified salmon.²⁰ According to a 2013 New York Times poll, 93% of Americans favor GMO labeling,²¹ and last year, 39% of American consumers avoided or reduced buying GMOs, up 254% since 2007.²² There is no reason to believe that the American public's attitude will change, as scientific publications demonstrate that GMOs do not increase agricultural

⁷ Washington Post, Oct. 18 2012, "Corporate Donors fuel Chamber of Commerce's political power,"

http://www.washingtonpost.com/politics/decision2012/corporate-donors-fuel-chamber-of-commerces-political-power/2012/10/18/96ad666a-1943-11e2-bd10-5ff056538b7c_story.html

⁸ Public Citizen, 2010, *Fading Disclosure: Increasing Number of Electioneering Group Keep Donors' Identities Secret*,

<http://www.citizen.org/documents/Disclosure-report-final.pdf>

⁹ Center for Political Accountability, 2008, *Taking Initiative: how corporate contributions to ballot measures pose a risk to shareholders, and why directors must oversee company political spending*, <http://www.politicalaccountability.net/index.php?ht=a/GetDocumentAction/i/1684>

¹⁰ Green America, Dec. 6 2012, "GMO Inside Campaign: Cheerios Facebook Page Flooded By Anti-GMO Comments" [Press Release],

<http://www.prnewswire.com/news-releases/gmo-inside-campaign-cheerios-facebook-page-flooded-by-anti-gmo-comments-182410021.html>

¹¹ Seattle Post Intelligencer, Oct. 17 2013, "GMO Labeling Moms React to GMA Money-laundering Lawsuit,"

<http://blog.seattlepi.com/videoblogging/2013/10/17/gmo-labeling-moms-react/>

¹² Reuters, Oct. 16 2013, "

Washington state sues lobbyists over campaign against GMO labeling," <http://www.reuters.com/article/2013/10/16/us-usa-gmo-labeling-idUSBRE99F19B20131016>

¹³ RT, Mar. 19, 2014, "GMO labeling effort in Colorado scores win in state Supreme Court," <http://rt.com/usa/colorado-gmo-label-court-945/>

¹⁴ Huffington Post, Nov. 27, 2013, "Colorado Voters May Be Next To Decide On GMO Food Labeling,"

http://www.huffingtonpost.com/2013/11/27/colorado-voters-may-be-next-to-decide-on-gmo-food-labeling_n_4346194.html

¹⁵ The Oregonian, Apr. 3, 2014, "Monsanto, Syngenta, other pesticide, crop companies give \$455,000 to fight Jackson County GMO measure,"

http://www.oregonlive.com/politics/index.ssf/2014/04/monsanto_syngenta_other_pestic.html

¹⁶ RT, Apr. 07, 2014, "Monsanto and co. pouring money into defeating county measure to ban GMOs," <http://rt.com/usa/monsanto-county-ban-gmo-997/>

¹⁷ Bloomberg, May 6, 2014, "Food Industry Braces for Vermont's GMO Labeling Law," <http://www.bloomberg.com/news/2014-05-06/food-industry-braces-for-vermont-s-gmo-labeling-law.html>

¹⁸ Reuters, May 21, 2014, "Rural Oregon voters back ban on GMO crops amid U.S. labeling uproar,"

<http://www.reuters.com/article/2014/05/21/usa-oregon-gmos-idUSL1N00706420140521>

¹⁹ Mother Jones, Jun. 14, 2013, "Maine is Second State to Pass GMO Labeling Law," <http://www.motherjones.com/blue-marble/2013/06/maine-gmo-labeling>

²⁰ New York Times, Jun. 3, 2013, "Connecticut Approves Labeling Genetically Modified Foods,"

http://www.nytimes.com/2013/06/04/business/connecticut-approves-qualified-genetic-labeling.html?_r=0

²¹ New York Times, July 27 2013, "Strong Support for Modified Foods," http://www.nytimes.com/2013/07/28/science/strong-support-for-labeling-modified-foods.html?_r=3&&gwh=D5B7AC4AB592DE4BB119357F93E99FB8&gwt=pay

²² The Hartman Group, 2013, Sustainability 2013, <http://hartbeat.hartman-group.com/article/452/Sustainability-2013>

productivity²³, contribute to crop disease²⁴ and a national epidemic of pesticide resistance^{25,26}, and are engineered for use with pesticides that may cause a wide range of health harms.^{27,28} International organizations, such as the Food and Agricultural Organization of the United Nations, have concluded that genetically modified crops are unlikely to address poverty and world hunger.²⁹

By the end of 2013, more than 60 bills had been introduced in over 20 U.S. states to require GMO labeling. Companies in the food industry are at a crossroads: they can spend corporate funds to oppose voter campaigns and sue governments, directly or through trade associations, or they can adapt to a changing marketplace. As investors, we are concerned about the risks, potential negative impact, and questionable value to shareholders of controversial opposition to GMO legislation. We urge Monsanto to adopt a policy to refrain from spending corporate funds to oppose GMO-related ballot initiatives and GMO-related legislation, and to end indirect spending by instructing trade associations and other nonprofits not to use the Monsanto Company's contributions, dues, or fees to oppose GMO-related referendums or sue governments on GMO-related issues.

We look forward to your response. If you would like to discuss this matter further, please contact Austin Wilson, shareholder advocate at As You Sow (awilson@asyousow.org).

Sincerely,

Austin Wilson
Environmental Health Program Manager
As You Sow

Ken Jacobs
President
Colorado Sustainable Financial Planning

Lauren Compere
Managing Director
Boston Common Asset Management, LLC

Jim Frazin
President
Communitas Financial Planning

Ellen Kennedy
Manager, Environment
Calvert Investments

Sally Ann Brickner
Coordinator of Justice, Peace and Ecology
Congregation of Sisters of St. Agnes

Sister Kathleen Coll
Administrator, Shareholder Advocacy
CHE Trinity Health

Margaret Weber
Corporate Responsibility Director
Congregation of St. Basil

Shelley Alpern
Director of Social Research & Shareholder
Advocacy
Clean Yield Asset Management

Joellen Sbrissa
SRI Representative
Congregation of St. Joseph

²³ United States Department of Agriculture, 2014, *Genetically Engineered Crops in the United States*, <http://www.ers.usda.gov/publications/err-economic-research-report/err162.aspx#.U303odJdWak>

²⁴ New York Times, Sep. 20 2013, "A Disease Cuts Corn Yields," http://www.nytimes.com/2013/10/01/science/earth/a-disease-cuts-corn-yields.html?_r=0

²⁵ Benbrook, Charles M, 2012, "Impacts of genetically engineered crops on pesticide use in the U.S. — the first sixteen years," (Environmental Sciences Europe) <http://www.sciencedaily.com/releases/2012/10/121002092839.htm>

²⁶ Newsweek, Mar. 18 2014, "Worm Now Thrives in GMO Corn Designed to Kill It, Study Says" <http://www.newsweek.com/worm-now-thrives-gmo-corn-designed-kill-it-study-says-232276>

²⁷ Samsel, Anthony and S. Seneff, 2013, "Glyphosate, pathways to modern illnesses II: Celiac sprue and gluten intolerance" (Interdisciplinary Toxicology), http://sustainablepulse.com/wp-content/uploads/2014/03/Glyphosate_II_Samsel-Seneff_Toxicology_FNL-1.pdf

²⁸ Samsel, Anthony and S. Seneff, 2013, "Glyphosate's Suppression of Cytochrome P450 Enzymes and Amino Acid Biosynthesis by the Gut Microbiome: Pathways to Modern Diseases" (Entropy), <http://www.mdpi.com/1099-4300/15/4/1416>

²⁹ United Nations Food and Agricultural Organization, 2007, "Meeting the Food Security Challenge Through Organic Agriculture," <http://www.fao.org/NEWSROOM/EN/news/2007/1000550/index.html>

Ruth Kuhn
Chair, SC Corporate Responsibility Committee
Corporate Responsibility Committee
Sisters of Charity of Cincinnati

Adam Kanzer
Managing Director & General Counsel
Domini Social Investments LLC

Sr. Alicia Lucy
Treasurer
Dominican Sisters of San Jose

Sr. Judy Lu McDonnell
Responsible Investing Coordinator
Dominican Sisters of San Rafael

Steven J. Schueth
President
First Affirmative Financial Network

Jeffery W. Perkins
Executive Director
Friends Fiduciary Corporation

Lura Mack
Director of the Portfolio Advisory Board
General Council of the Adrian Dominican
Sisters

Fran Teplitz
Director, Social Investing & Policy
Green America

Bruce Herbert
Chief Executive
Investor Voice, SPC

Rev. Séamus P. Finn OMI
Director
JPIC Ministry, Missionary Oblates of Mary
Immaculate, US Region

Rev. Joseph P. La Mar, M.M.
Assistant CFO
Maryknoll Fathers and Brothers

Cathy Rowan
Corporate Responsibility Coordinator
Maryknoll Sisters

Marcela I. Pinilla
Director, Shareholder Advocacy
Mercy Investment Services

Michael Kramer
Managing Partner
Natural Investments

Bruce Herbert, AIF
Chief Executive
Newground Social Investment, SPC

Bill Stoddart
Founder and Principal
Northfork Financial, LLC

Judy Byron, OP
Director
Northwest Coalition for Responsible Investment

Krista Strohoffer
Financial Advisor CFP®
Principled Investing LLC

Catherine Cartier
President
Progressive Asset Management

Donna E. Clifford
Financial Advisor
Rainbow Solutions Inc.

Jo Marie Chrosniak, HM
Coordinator
Region VI Coalition for Responsible Investment

Sr. Catherine Minhoto
Treasurer
Religious of the Sacred Heart of Mary

Pamela Stamper-Brandt
Financial Advisor
Seven Generations Investing, LLC
Joy Peterson, PBVM
Promoter of Peace and Justice
Sinsinawa Dominican Shareholder Action
Committee

Sister Barbara Aires
Coordinator of Corporate Responsibility
Sisters of Charity of Saint Elizabeth

Sister Pat Daly, OP
Corporate Social Responsibility Representative
Sisters of St. Dominic of Caldwell, NJ

Tom McCaney
Associate Director, Corporate Social
Responsibility
Sisters of St. Francis of Philadelphia

Nora M. Nash
Director Corporate Social Responsibility
Sisters of St. Francis of Philadelphia

Sr. Mary Beth Ingham
Leadership Council
Sisters of St. Joseph of Orange

Anna Falkenberg
Executive Director
Socially Responsible Investment Coalition

Susan Kapusta
Treasurer
Society of the Holy Child Jesus

Larisa Ruoff
Director of Shareholder Advocacy and
Corporate Engagement
The Sustainability Group of Loring, Wolcott &
Coolidge

Sister Pat Daly, OP
Executive Director
Tri-State Coalition for Responsible Investment

Timothy Brennan
Treasurer & CFO
Unitarian Universalist Association

Sonia Kowal
Director of Socially Responsible Investing
Zevin Asset Management, LLC