At Monsanto, we have a long-standing commitment to sustainability that’s focused on helping the world’s farmers—our customers—produce more, conserve more and improve lives through agriculture. This year we published two progress updates to share some of our key accomplishments with our stakeholders. In addition to demonstrating our progress since our last update in June 2014, this communication highlights important information concerning our company, our global supply chain, and our shared values that drive us toward a broad range of solutions for a sustainable future.
OUR CONTINUED COMMITMENT TO SUSTAINABILITY

We are Monsanto. With 22,000 employees pursuing a broad range of sustainable solutions, we’re committed to helping nourish our growing world. There are big challenges facing agriculture today that no single entity can solve alone. That’s why we work hand-in-hand with farmers, researchers, nonprofit organizations, universities and many others to find solutions that make a difference from farm to table. Through these collaborative efforts, we’ll help create a better world by making a balanced plate accessible to everyone.

Working to feed a growing global population means more than just increasing productivity; it matters how we grow our food. This is why we’re working to make sure that farmers and consumers get the most out of every seed, every acre and every harvest—all while using important resources more efficiently. Our research and development teams are focused on innovations that include conventional breeding, biotechnology, beneficial microbes and data to improve existing and future agricultural landscapes.

It’s the combination of these technologies that help farmers provide safe, nutritious, and affordable food for families at home and around the world—all while using fewer resources.
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Our sustainability efforts focus on our most important partners—farmers of all sizes, consumers, investors, and our employees. We shape these initiatives by engaging these stakeholders, listening to their perspectives and internalizing their feedback. It’s a constant process of learning and refining.
COMMITMENTS

DEFINING OUR SUPPLY CHAIN

Our work to produce seeds for fruits, vegetables and key crops—such as corn, soybeans and cotton—helps farmers have better harvests while using water and other resources more efficiently.

To get from seed to grocery store shelves more sustainably, Monsanto relies heavily on collaborating with our partners across the global supply chain. Working in 64 countries, our work involves thousands of suppliers of services, equipment and raw materials as well as contracted seed suppliers all of whom contribute to our efforts.

Sustainable procurement contributes to more efficient, productive and environmentally preferable agricultural practices. They positively impact farmers and society as a whole. Our ambition is to help improve lives around the world by procuring goods and services in ways that conserve and protect natural resources and are ethically and socially responsible.
Our Core Values of Sustainable Procurement

1. **Produce More**  
   We seek opportunities to source products and services that meet our sustainability guidelines. Through these efforts we aid farmers in producing an abundant, high-quality food supply from the products and services we source.

2. **Conserve More**  
   We source products and services that utilize natural resources more efficiently while encouraging our employees to promote sustainable behavior across our supply chain through effective leadership and decision-making.

3. **Improve Lives**  
   We work to ensure that our sustainable procurement programs contribute to the economic success of farmers and their families throughout the world and focus on building trusting relationships within our various communities.

4. **Be Accountable**  
   We hold our suppliers and ourselves responsible when it comes to promoting sustainability excellence across social, environmental, ethical and economic channels.

5. **Be Leaders**  
   We aspire to lead the agricultural industry by setting an example for how to effectively create and follow a sustainable business model, not only in agriculture but also for the benefit of society as a whole.
In 2013, Monsanto Global Procurement formed a Global Procurement Sustainability Network led by representatives from each business region to develop a comprehensive five-year plan for addressing sustainability within our supplier base. A critical component of this five-year plan moving forward is to develop a standardized sustainability risk assessment process that can be applied to our suppliers. This process will weigh the economic, environmental and social profiles and behaviors of key suppliers in order to evaluate these relationships and their contribution towards Monsanto’s sustainability goals.

Although the Global Procurement Sustainability Network is a recent addition, Monsanto has been effectively focused on sustainability in two key areas of our supply base: supplier safety and human rights.

Monsanto’s Contractor Guest Program has worked to provide a safe work environment for everyone who works or visits our facilities since the early 1990s. This program applies to all of our suppliers who work in our facilities and campuses around the globe. The Contractor Guest Program is a formal system that identifies potential risks for our suppliers who work on-site. Additionally, it provides targeted safety guidelines to our suppliers based on these potential risks in order to ensure proper safety oversight and safety auditing. The program also includes a formal prequalification process for suppliers operating at site-specific, regional and global levels to ensure that we maintain the safety of our workers and suppliers.

We aspire to an injury-free and incident-free work environment at all of our sites, which is why it’s necessary to promote continuous improvement in our Contractor/Guest Environmental Safety and Health (ESH) performance standards. By consistently excelling in this program, we not only provide a safe working environment, but also add value to our supplier companies, our employees, and the communities in which we operate. Our on-site suppliers in return gain the added value of a safer workforce.
COMMITMENTS, CONT.

MONSANTO SUPPLY CHAIN COMMITMENTS

Supplier Code of Conduct

Monsanto’s suppliers around the globe play a key role in achieving our sustainability goals. We actively support our suppliers in their individual efforts to pursue and establish their own sustainable business practices. By working together, we can foster sustainability both inside and outside the realm of our direct supply chain.

A key component of our procurement sustainability effort has been the development of a Supplier Code of Conduct, which aligns our suppliers with our social, environmental and economic commitments. We have communicated the Supplier Code of Conduct to existing suppliers and will begin requiring all new suppliers to familiarize themselves with our Code. We believe the Supplier Code of Conduct provides clarity for how to engage with Monsanto and how we expect our suppliers to act in ways that promote sustainability. We expect that all of our suppliers worldwide will work to comply with the Monsanto Global Supplier Code of Conduct when conducting business with Monsanto.

Our Supplier Code of Conduct is an integral aspect of our business, which is why we created a comprehensive website in 2014 to give prospective and existing suppliers easy access to this information. In addition to the Supplier Code of Conduct, the site highlights our customer focus, the supply chain structure for engaging with Monsanto, and information regarding supplier requirements. This content can be found at:

www.monsanto.com/whoweare/pages/procurement.aspx

AS A PART OF THIS ONGOING EFFORT, MONSANTO REQUIRES THAT OUR SUPPLIERS ADHERE TO OUR SUPPLIER CODE OF CONDUCT THAT ALIGNS WITH OUR SOCIAL, ETHICAL, ENVIRONMENTAL AND ECONOMIC COMMITMENTS.
The Procurement Organization and Sustainability Goals

- To share sustainability best practices with everyone in our supply chain, we maintain active communication channels throughout our organization.
- Our Supplier Code of Conduct is written to ensure that suppliers meet the standards that we have set forth to accomplish our social, environmental and economic goals.
- We aspire to be a leader in the area of sustainable purchasing practices throughout our global industry and we will lead by example.
- Our employees—especially within our Procurement organization—understand how our procurement sustainability efforts work towards Monsanto’s overall goals.
- With strong leadership and training supplier reward systems, our sustainability culture continues to grow within our Procurement & Supply Chain organization.
- The viewpoints of our stakeholders are valued and we work to incorporate those sustainability considerations throughout the entire supply chain.
- When it comes to selecting our partners, we rely on specific criteria—namely whether they align with our social, environmental and financial sustainability goals.
- Our Procurement organization is also active in broad industry initiatives involving agricultural sustainability such as the Ag Container Recycling Council (ACRC), driving accountability for optimizing and reporting ag plastic container recycling across the industry.

Five-year Plan
Performance Metrics

We are keenly aware of the need to differentiate and diversify our supplier base. This is why we took steps in 2013 to begin a formal process to classify our current and potential suppliers based on how well they support our sustainability efforts. We are currently implementing this plan across all regions worldwide.

We manage our procurement performance metrics globally based on regional operating reporting. To accurately measure our efforts, sustainability key performance metrics are being developed and added to our procurement reporting systems.

Human Rights in Our Supply Chain

The Monsanto Human Rights Policy is an important declaration of our company’s values — especially for our facilities and supply chain. Drawing from our overarching Monsanto Pledge, our commitment to human rights extends to our supply chain around the world.

Our Human Rights Policy is guided by the Universal Declaration on Human Rights, which provides the most widely recognized definition of human rights. Additionally, we look to the International Labor Organization’s Declaration on Fundamental Principles and Rights at Work to ensure our policy is consistent with international norms. While we’re committed to human rights across the board, it’s worth noting that our Human Rights Policy is written to specifically reflect circumstances unique to the agricultural industry—including our partners who provide manual labor in our seed supply chain such as individual growers, temporary labor agencies and others.
Our Human Rights Policy identifies nine elements on which we focus our human rights efforts. These areas are:

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<th>Child Labor</th>
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<td>Forced Labor</td>
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To monitor our progress concerning human rights, we conduct a global risk assessment of our field operations every three years. In our most recent assessment in 2014, we identified 10 high-risk countries in which we plan to conduct specific training, communication and assessment measures throughout the next three years to ensure compliance with our Policy and continuous improvement in its implementation.

Historically speaking, the largest risk to human rights in agriculture stems from the business partner segment of our suppliers as they provide the manual labor for in-field operations. The concern is that in many countries, it is the poorest, most marginalized segments of the population that perform seasonal agricultural fieldwork. In 2014, we identified that 65 percent of our more than 34,000 business partners are located in high-risk countries. We have completed human rights assessments for approximately half of our business partners in high-risk countries, and nearly 90 percent of those surveyed have completed training on our Human Rights Policy. Our Human Rights Policy is also referenced within our Supplier Code of Conduct.
Contract Clauses

In 2014, we enhanced our Global Procurement contract terms to ensure that we covered key aspects of sustainability including human rights and worker safety, in addition to existing terms addressing the United States Foreign Corrupt Practices Act (FCPA). These terms apply to specific contracts with selected suppliers depending on scale, scope and geographies served.

Human Rights

In addition to ensuring that the human rights of our employees are respected in the workplace, we are diligent in partnering with businesses that are invested in conducting their own businesses practices with values that are consistent with ours.

Learn more about Monsanto’s human rights at: www.monsanto.com/whoweare/pages/human-rights.aspx

Worker Safety

For suppliers working onsite at any of Monsanto’s premises, our contracts include clauses addressing our Contractor Guest Program

Foreign Corrupt Practices Act (FCPA)

When applicable, our contracts include clauses that address compliance with the United States Foreign Corrupt Practices Act. As part of this process, we’ve prepared a formal FCPA questionnaire for suppliers to determine whether FCPA standards are applicable to specific contracts. We currently address FCPA in more than 1400 global contracts.
COMMITMENTS, CONT.

Training

We have developed a comprehensive internal program that seeks to broaden Procurement capabilities through enhancing the skills and competency of category managers, buyers and other leaders. Since 2011, this program has led to an increased and sustained investment in our people, dramatically improving our corporate performance while also offering training and development opportunities for Monsanto employees.

Monsanto partners with leading external organizations such as the Council of Supply Chain Management Professionals (CSCMP), Institute of Supply Management (ISM) and the American Production and Inventory Control Society (APICS) to provide employees with training and development programs that build their skills at home and abroad.

We use a combination of internally developed coursework, external training and industry certifications to address the spectrum of Procurement core competencies. We are expanding this approach to our broader supply chain organization including our logistics, global trade & compliance, customer care, planning, and manufacturing groups.

Spend Analysis and Policies

SINCE 2011, THIS PROGRAM HAS LED TO AN INCREASED AND SUSTAINED INVESTMENT IN OUR PEOPLE, DRAMATICALLY IMPROVING OUR CORPORATE PERFORMANCE.
COMMITMENTS, CONT.

COLLABORATION & ADVOCACY

Monsanto is committed to creating a more robust diverse supplier base worldwide. In the last several years, our St. Louis, MO, headquarters has piloted several programs to promote the sustainable economic growth of our minority suppliers. Building on our early successes, our efforts moving forward will focus on bridging the accomplishments of our US-based supplier diversity processes and taking them global. In addition, Monsanto has recently kicked off a US-based Supplier Diversity Mentorship Program.

The following are specific examples of ongoing collaborative initiatives to improve diversity in our global supplier base:

The **St. Louis Minority Business Council** has served as one of our premier strategic business partners in the region since 2000. This council is an active participant in the economic growth of the St. Louis area, serving as a key conduit for the implementation of supplier diversity programs. Concurrently, the organization advocates for Minority Business Enterprises (MBEs) by identifying multiple avenues by which these entities can continue to grow over time. We are proud to be a founding corporate member since the early 70s and are actively invested in their success, whether through participating in a variety of committees (including the Board of Directors) or sponsoring conferences and events.

The **National Minority Supplier Development Council (NMSDC)** is a global leader in advancing business opportunities for its Asian, Black, Hispanic and Native American business enterprises. This organization was chartered in 1972 to provide increased procurement and business opportunities for minority businesses of all sizes. Monsanto is a firm believer in their mission, and has been a corporate member and active participant in the NMSDC’s group committees since the early 2000’s.

As an affiliate of the NMSDC, the **Mid-States Minority Supplier Development Council** is one of 24 regional councils operating in the United States to cultivate and promote successful minority enterprises within Central Illinois, Indiana and Eastern Missouri. The Mid-States MSDC advocates for the economic well-being and growth of certified MBEs, especially by providing direct connections between those corporations who are committed to purchasing products and services from other Mid-States MSDC members. As of 2014, Monsanto is a proud corporate sponsor and participant in the Board of Directors and the Mid-States MSDC annual conference.
COMMITMENTS, CONT.

The **Women’s Business Enterprise National Council (WBENC)** is the largest third-party certifier of American businesses owned, controlled and operated by women. As a national 501(c)(3) non-profit, the WBENC collaborates with 14 regional partner organizations to provide its world-class certification standards to these women-owned businesses throughout the country. The organization is also the nation’s leading advocate of women-owned businesses who supply to America’s corporations. We have been a proud corporate member since 2000 and exhibit during their annual conferences and events.

The **Women’s Business Development Center (WBDC)** is a unique non-profit organization that focuses on fueling the economy through entrepreneurship. As the oldest, largest and most comprehensive women’s business assistance center in the United States, its programs are designed to assist individuals throughout every phase of developing and growing a business. The WBDC’s Women Business Enterprise (WBE) certification program covers nine states in the Midwest: Illinois, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota and Wisconsin. Since its inception, the WBDC has served as a local, national and international advocacy organization at the forefront of fostering economic development policies and program development of women-owned businesses. Monsanto has been a proud corporate sponsor since 2013 and are active participants in their conference committees and annual events—including those local to St. Louis.

The **Minority Business Development Agency Business Center Chicago** is an organization that seeks to develop alliances between local, state and federal governmental agencies, major corporations and the minority business community to create larger, more strategic minority entrepreneurs. Funded by the US Department of Commerce, the MBDA is operated by the Chicago Minority Supplier Development Council, Inc., in partnership with the Illinois Hispanic Chamber of Commerce, with an office in St. Louis, MO. We have partnered with the MBDA to help establish these important relationships since 2012.

The **WEConnect International** organization identifies, educates, registers, and certifies women’s business enterprises based outside of the US that are at least 51% owned, managed, and controlled by one or more women, and then connects them with multinational corporate buyers. Monsanto strategically expanded its Supplier Diversity efforts globally in 2014 and has joined WEConnect International as a Global Corporate Member.
OUR COMMITMENTS IN ACTION: INTERNATIONAL HEALTH AND SAFETY TRAINING

On June 24, 2014, we conducted a health awareness session for women working in our manufacturing site in Shameerpet, Hyderabad, India. Of the 150 full-time employees and contractors at the Shameerpet site, fifty are women. Our India Supply Chain team regularly engages in unique efforts focused on women’s issues.

We are focused on women's health, safety and education through organized knowledge sharing sessions and facilitated discussions. Pooja Mantri, a team member of the Quality Assurance Physiology lab at our Shameerpet facility, explains, “the interactive awareness session was quite informative, and we learned from a medical expert on how to identify, address and prevent common health problems. I now understand the importance of a balanced, nutritious diet in maintaining good health. I look forward to more such sessions to help us manage our own health as well as our family’s well-being.”

Health awareness sessions are regular features at most of our sites in India. They typically cover issues such as the importance of work-life balance, proper diet and nutrition and regular exercise. Like many of these programs, our human rights and human resources teams, in partnership with site leadership, coordinated the sessions held at the Shameerpet facility. Shameerpet’s site lead Nagesh Vuda elaborates, “As part of our commitment to women’s empowerment, we create awareness on issues pertaining to women’s health, safety, diet and nutrition. We will continue to facilitate similar sessions on important women’s issues for our facility teams going forward.”
Monsanto is a founding member of Field to Market, a diverse alliance working to create opportunities across the agricultural supply chain. This partnership brings together representatives from all parts of the food chain—farmers, agribusinesses, food and retail companies, conservation organizations, universities and government agencies—to create sustainable solutions for agriculture.

Monsanto’s commitment to Field to Market includes serving as a co-chair of the sustainability performance committee, which examines new ways to create shared value for each member of the value chain.

The Field to Market program compiled its second report in 2012 to evaluate sustainability trends over time on a national scale for domestic corn, cotton, soybean and wheat production. In addition to providing a broad understanding of these national trends, the findings established a baseline of information that we can use to measure change moving forward, thus enabling informed discussions about the future of sustainability in agriculture.
COMMITMENTS, CONT.

Field to Market’s work on commodity crops is considered a best-in-class practice for measuring sustainability at the farm level. Among other insights, the report findings were used to develop the Fieldprint Calculator—a resource that became available for potato and rice farmers in 2012 to help them analyze how their management practices affect natural resources on their farms.

Researchers have already used the findings of the 2012 Field to Market report to learn that a variety of crops, including corn, wheat, soybeans, rice and potatoes, are being produced more sustainably in the United States than they were 30 years ago. It’s an important step, especially considering the challenges on the horizon. As Rod Snyder, president of Field to Market, explains, “The world is facing an unprecedented challenge to produce crops to provide for 9 billion people within the natural limits of our planet” over the next 40 years.

This year, the Field to Market program launched an agricultural supply chain program for US commodity crops. The Field to Market Alliance for Sustainable Agriculture (whose members include Cargill, General Mills, Kellogg’s, Monsanto, Coca-Cola Company, World Wildlife Fund and Wal-Mart) reports that these metrics will track improvements in sustainability surrounding corn, soybean, wheat, cotton, rice, potato and other crops based on seven criteria: land use, soil conservation, soil carbon, irrigated water use, water quality, energy use and greenhouse gas emissions.
2014 GLOBAL SUPPLIER SUMMIT

In 2014, Global Procurement hosted its Supplier Summit Day in St. Louis, MO, with over 100 suppliers in attendance from around the world. With a focus on recognizing key partners in our supply chain, the purpose of this ongoing series is to connect our suppliers to our business. Together we build a more sustainable agricultural system.

A key tenet of the Supplier Summit Day events is to drive a “one team” message throughout our supply chain. We know that we can accomplish more by working together, which is why this series is an integral aspect of conducting our business globally. Peter Stoynoff, Monsanto Global Procurement Lead, commented, “Our Global Procurement organization is working to educate our supplier partners on our goals and focus throughout our supply chain. We are conducting similarly themed Supplier Summit Days throughout all of our operating regions, to collaborate and strengthen our partnerships.”

We have hosted these events in key regions around the world, including Argentina, Chile, Mexico, Brazil, Spain and the United States. Events in India and Singapore are on the horizon. At every stop, we are working to promote our sustainability, social responsibility and workplace diversity initiatives throughout our supplier base. It’s an important step to reinforce our ties with our suppliers and move our working relationships forward.