



How can we help create a system of agriculture that provides the world the food we need today while preserving resources our children need tomorrow? How do we get more out of every acre of land, every drop of water and every unit of energy? How can agriculture improve lives?

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As the population continues to increase, so does the demand for valuable resources. Monsanto is working for a better tomorrow by putting the right tools in the hands of farmers today. By equipping growers with better seeds, we can help protect our natural resources, fight hunger, improve nutrition and provide economic benefits to everyone involved in an improved system of agriculture.

ABOUT THIS REPORT

This report was developed following the Global Reporting Initiative (GRI) guidelines for sustainability reporting. Content that applies to any of the GRI categories is labeled with the appropriate GRI indicator(s), for example: **GRI EN16***. As Monsanto is a member of the United Nations Global Compact, the world's largest sustainability and corporate citizenship initiative, this report also labels content that applies to the Ten Principles of the Global Compact (pages 33–37), for example: **UN1**. GRI indicators and UN Global Compact Principles can be found in the GRI Index, starting on page 89. To facilitate navigation, a broad category table of contents appears in the upper right corner of each page with the current section highlighted. We hope these tools help simplify your search for the information in this report.

*To understand the context of the green GRI Indicator boxes found throughout this document, please refer to the full index of disclosures in the GRI Index on pages 89–99.

MONSANTO



LETTER FROM THE CHAIRMAN

Last year represented a true milestone for raising awareness and advancing the broader global dialogue about the tremendous challenges our growing world faces between now and 2050.

Over the next four decades, the world will need to double food production to combat hunger, malnutrition and meet the needs of our fast-growing population. The recent arrival of the world's seven billionth person shed further light on this global conversation. Looking ahead, Monsanto's challenge—a challenge shared by many companies, governments and non-governmental organizations (NGOs)—must be to translate the discussion around these challenges into action.

One thing is clear—no single company or organization can meet these challenges alone. Collaboration among stakeholders in the public and private sectors, across virtually every sector of the value chain is vitally important. As a business, we remain committed to actively participating in stakeholder dialogue and supporting initiatives that are focused on increasing agricultural productivity, managing and reducing the environmental impact of agriculture, and improving the economic success of farmers and their families in all parts of the world.

In 2011, we made great progress to our goals around sustainability, engaging with many stakeholders and working in partnership with organizations around the world. I'm pleased to present you with Monsanto's 2011 Corporate Social Responsibility and Sustainability Report which outlines recent work in this area. We've worked to summarize both the challenges and progress made in areas critical to our business and the communities we serve. While I'm very proud of all of the projects we highlight in this report, there are two key initiatives that truly stand out for the impact they have on making agriculture more sustainable: Field to Market: The Keystone Alliance for Sustainable Agriculture and World Economic Forum's "New Vision for Agriculture." I look forward to your feedback on the partnerships in which we're involved and the progress we're making.

You, our external stakeholders, continue to serve as our guide for continuous improvement in corporate social responsibility and sustainability. We recognize that this begins in our own operations. That is why this year we have joined the Global Reporting Initiative (GRI), a sustainability reporting framework that helps companies

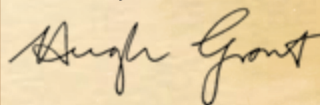
measure and report their sustainability performance. This type of reporting will be a continuous and transparent journey of improvement for our business. I look forward to updating you on our progress in future reports.

Part of our continuous journey is also exemplified through our commitment to the UN Global Compact and the 10 principles relating to the areas of human rights, labor practices, environmental protection and combating corruption. Since joining the UN Global Compact in 2009, we have provided an annual Communication on Progress and this year's report includes our second installment of our actions supporting the Global Compact. It also includes a special update on our Human Rights activities.

Our business remains committed to investing in agricultural systems that can sustainably support the demands of our growing planet—whether that is on-farm or at home. Looking forward, we are exploring opportunities to support continuous improvement in crop yields through our efforts in breeding, agronomics and biotechnology. We are also exploring better health and nutrition through our vegetable business. We are well-positioned to strengthen our partnerships with farmers as a solutions provider offering more efficient and sustainable farming practices. I am proud to be a part of the work Monsanto does around the world to help produce more, conserve more and improve lives.

I encourage you to read this report, and welcome your feedback, while you learn more about how our business and our employees throughout the world are working daily to meet our commitments to sustainable agriculture.

Sincerely,



Hugh Grant

*Chairman of the Board, President
and Chief Executive Officer*



ABOUT OUR BUSINESS

COMPANY HEADQUARTERS
ST. LOUIS, MO, USA

20,767

NUMBER OF GLOBAL
EMPLOYEES

OPERATING
404
FACILITIES IN
66
COUNTRIES

Financial Highlights

In millions, except per share amounts. Figures shown are in U.S. dollars.

Years ended Aug. 31	2011	2010	2009	% Change 2011 vs. 2010
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Operating Results

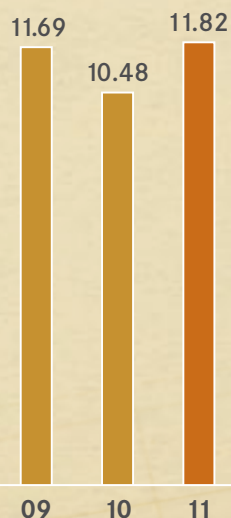
Net Sales	\$ 11,822	\$ 10,483	\$ 11,685	13%
EBIT ¹	\$ 2,387	\$ 1,568	\$ 2,958	52%
Net Income Attributable to Monsanto Company	\$ 1,607	\$ 1,096	\$ 2,092	47%
Diluted Earnings per Share ²	\$ 2.96	\$ 1.99	\$ 3.77	49%

Other Selected Data

Free Cash Flow ³	\$ 1,839	\$ 564	\$ 1,523	226%
Capital Expenditures	\$ 540	\$ 755	\$ 916	(28%)
Depreciation and Amortization	\$ 613	\$ 602	\$ 548	2%
Diluted Shares Outstanding ²	542.4	550.8	555.6	(2%)

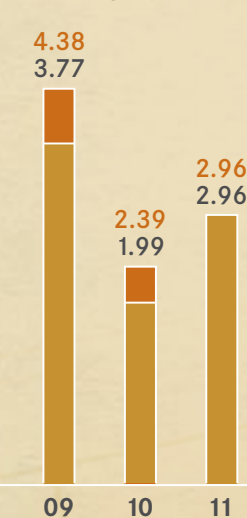
Net Sales

(in billions of dollars,
for years ended Aug. 31)



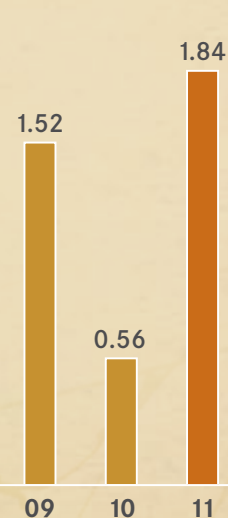
Earnings per Share²

■ As Reported
■ Ongoing
(in dollars, for years
ended Aug. 31)



Free Cash Flow³

(in billions of dollars,
for years ended Aug. 31)



¹⁻³ See our 2011 Annual Report at the hyperlink below for the page of Notes to 2011 Financial Highlights and Charts, which includes reconciliation of EBIT, ongoing earnings per share and free cash flow to the most directly comparable financial measure calculated in accordance with generally accepted accounting principles. www.monsanto.com/investors/Pages/annual-report-financial-highlight-notes.aspx

MONSANTO RECOGNITIONS

Monsanto Company recognizes its tremendous responsibility to the farmer customers and investors in the business on an annual basis, to the stakeholders and communities where the company operates, and to the more than 20,000 employees who discover, develop and deliver on Monsanto’s commitment to sustainable agriculture throughout the year.

Monsanto’s responsible actions and its commitment to sustainability are widely recognized by stakeholders throughout the world. Non-governmental organizations worldwide choose to partner with the company in collaborations to improve global agriculture and the quality of life of those they serve.

U.S. Best Employer and Top Company Recognitions

Monsanto Ranked 10th on *Forbes* List of the 100 Most Innovative Companies. In *Forbes*’ most recent ranking of the top 100 most innovative companies, Monsanto earned a spot in the top 10 alongside such recognized innovators as Google and Apple. The magazine’s rankings were based on factors that included the company’s five-year average sales growth (as a percent), five-year net income growth (as a percent), enterprise value (in US\$ billions), as well as investor perspectives on future potential (i.e., new products, services and markets). Companies on the list must have a minimum of US\$10 billion in market capitalization, spend at least one percent of their asset base on R&D and have seven years of public data. (July 2011)

Monsanto Ranked 16th on *Science Magazine*’s 2011 Top Employers List. This survey measures company reputation as an employer with people across the scientific industry. To develop the rankings, *Science* sent the Top Employers survey to 46,000 individuals who had registered with the American Association for the Advancement of Science (AAAS) or ScienceCareers.org. The final survey results were based on 3,784 respondents. Monsanto’s top three attributes from the survey were: innovation leader in the industry, makes changes needed, and does important quality research. (October 2011)



Ranked in the
TOP 10
 of the World’s Most *Innovative* Companies
 by *Forbes* Magazine

MONSANTO RECOGNITIONS, *cont.*

Monsanto Named to 2011 Climate Innovation Leaders Index (CII). Maplecroft, in partnership with Bloomberg, rate the most capitalized U.S. stocks above US\$1 billion on climate innovation and carbon risk management. Inclusion in this index demonstrates superior management, mitigation and adaptation in the field of climate innovation. More than 800 U.S.-listed companies with free-float market capitalization of over US\$1 billion have been rated and reviewed. The top 100 companies are included in the CII. *(April 2012)*

Monsanto Named Corporate Marketer of the Year for 2011. The Business Marketing Association (BMA) recognized Monsanto as one of two Leading Corporate Marketers of 2011. In addition, Monsanto received five category awards from the BMA B2 awards—three for the America’s Farmers campaign, one for its annual report and one for its sustainability report. Entering its 35th year, the B2 Awards recognize business-to-business marketing programs that demonstrate the ability to transform new, creative ideas into strategic initiatives. Each year hundreds of B2 entries in 29 categories are received, reviewed and judged by a network of more than 60 senior corporate marketers and leading business-to-business agency executives. *(July 2011)*

Monsanto Honored as One of CIO Magazine’s CIO 100. The CIO 100 identifies and honors 100 organizations that have distinguished themselves by creating business value through the effective and innovative use of IT. Monsanto IT was recognized for creating a solution to combine all field results for soybean and corn field trials to make the data available in real time across multiple brands and function areas. As a result of the project, Monsanto now has consolidated data analysis for all of its 18 brands and sales teams can now point to performance advantages for specific products. *(June 2011)*

Monsanto Selected as One of Computerworld’s 100 Best Places to Work in IT for 2011. Monsanto ranked 57th on the 2011 overall list and 33rd among large companies. *Computerworld* singled out Monsanto’s IT organization for its leadership development and recognition programs. *(June 2011)*

Monsanto Recognized as Fourth Best Large Science Company to Work For in The Scientist Best Places to Work in Industry 2011 Survey. Monsanto earned the number 15 spot in the overall ranking of companies listed in the 2011 Best Places to Work in Industry survey by *The Scientist* magazine. The survey ranks companies

based on a range of attributes. Monsanto was recognized for its benefits and training and development. *(April 2011)*

Monsanto Recognized by the American Heart Association as a 2011 Platinum Level Fit-Friendly Company and Honored with the Worksite Fitness Innovation Award. In April 2011, Monsanto was recognized as a Platinum Level Recipient of the American Heart Association’s Start! Fit-Friendly Companies Recognition program. The Platinum Level is the highest level of recognition from the American Heart Association’s Start! initiative. The Start! Fit-Friendly Companies Program is a catalyst for positive change in American business. Companies throughout the nation can be part of the Start! initiative by making the health and wellness of their employees a priority. The AHA recognition highlighted the company’s commitment to helping employees eat better and move more. Monsanto is one of only two companies that received the worksite Fitness Innovation Award in 2011. The American Heart Association Fit-Friendly program recognizes employers who champion health of their employees and work to create a culture of physical activity and health in the workplace. *(April 2011)*

UN6 St. Louis Legal Team Received Inaugural 2011 Diversity Award by Mound City Bar Association (MCBA), Missouri Asian American Bar Association (MAABA) and the Association of Corporate Counsel, St. Louis Chapter (ACC). This award is established and selected by the MCBA, MAABA and the ACC. Monsanto’s selection in March 2011 recognized the Legal Team’s commitment to diversity efforts as deserving of recognition as best amongst all corporate legal departments in its headquarter’s region. As a winner of this inaugural award, the St. Louis Law Department had the opportunity to showcase its efforts to promote diversity before the St. Louis legal community at the ACC/MCBA/MAABA conference “Best Practices in Diversity: A Panel Discussion” that was held in May 2011 in St. Louis. *(March 2011)*

UN6 Monsanto Ranked 41st on the 2011 DiversityInc Top 50 Companies for Diversity List. For the fourth straight year, Monsanto has been named to the DiversityInc Top 50 Companies for Diversity List. A total of 535 companies participated in 2011, up 19 percent from 2010. Ranked number 41, Monsanto was recognized for its commitment to diversity management and for building an increasingly diverse and inclusive workplace. *(March 2011)*

MONSANTO RECOGNITIONS, *cont.*

Worldwide Best Employer and Top Company Recognitions

Monsanto Canada Named One of Manitoba's Top Employers for 2012. Now entering its seventh year, *Manitoba's Top Employers* is an annual competition organized by the editors of Canada's Top 100 Employers. This special designation recognizes the Manitoba employers that lead their industries in offering exceptional places to work. (November 2011)

Monsanto Argentina Ranked Third on the 2011 List of Top Medium-Sized Employers in Argentina. For the fifth consecutive year, Monsanto Argentina was ranked as one of the best companies to work for in Argentina, placing third on the list of medium-sized companies (251-1,000 employees). This is the highest that Monsanto Argentina has placed on the list after ranking sixth in 2010. (November 2011)

Monsanto Named One of the 2011 20 "Best Companies to Work For" in China. This biennial survey, jointly organized by FORTUNE (China) and Towers Watson, is one of the largest, most comprehensive and most authoritative research surveys of its kind in China. In 2011, 203 companies participated in the survey. Only 20 companies were selected as "Best Companies To Work For." This is the second consecutive time Monsanto China has made the list. (September 2011)

For the 12th Consecutive Time, Monsanto Selected One of the "Best Companies to Work For in Brazil." Monsanto placed 49th among 923 companies listed in 2011 from all over Brazil. It is also one of nine companies to receive the distinction multiple times during the 15 years of the award. Monsanto was specifically recognized by its employees on issues such as intensity, warmth and pride in belonging and contributing to the community. (August 2011)

Monsanto India Rated the Best Company in Industry and Among the Top 100 Companies to Work with in the 2011 Study by the Great Place to Work® Institute. Monsanto India was awarded the "Top 50 Employers in India" in 2010, 2009, 2008 and 2003, in addition to being Best in Industry in 2010 and 2009. Monsanto India is recognized for the pride that employees have working for Monsanto, the seamless communication across functions and levels, opportunities to move across functions, as well as the focus on employee safety. In the Great Place to Work survey, employees have specifically pointed out pride and camaraderie as key strengths. (June 2011)

Monsanto Mexico Ranked 48th on the 2011 Best Companies to Work For in Mexico List by the Great Place to Work Institute. This year the company ranked 48th, up from 80th last year. This is the first time Monsanto Mexico has ranked in the top 50. (April 2011)

Monsanto Latin America (Brazil and other Latin American Countries) Recognized as One of the Best Places to Work in Latin America , placing 38th out of 1,900 participants. Monsanto Latin America was recognized as one of the Best Places to Work among multinational companies in Latin America by the Great Place to Work Institute. (April 2011)

Monsanto Ranked Fourth on the 2011 Best Multinational Companies to Work For List in Central America & The Caribbean by the Great Place to Work Institute Centroamérica y Caribe. (April 2011)

Monsanto Appointed Among the "50 Coolest Companies" by Magazine IstoÉ Dinheiro. Monsanto was appointed one of the "50 Coolest Companies" by magazine *IstoÉ Dinheiro*, Brazil's main weekly economics and business magazine. According to an April 2011 issue of the publication, Monsanto is part of a select group of companies "that went ahead and created projects that combine economic and social sustainability." The report highlighted the program that was implemented in the Sao Jose dos Campos (SP) plant, which uses recycled packaging in part of their Roundup® agricultural herbicides production line. The Ecoplast Triex packaging is the first to be produced in Brazil from recycled plastic gallons of pesticides and complies with the highest quality, safety and market performance standards. The award coincided with the anniversary of the foundation of the Sao Jose dos Campos plant, which celebrated 35 years of operation in 2011. (April 2011)

Monsanto Canada Named one of Canada's Top 100 Employers for 2011. *Canada's Top 100 Employers* project is a national competition to determine which employers lead their industries in offering exceptional workplaces for their employees. (November 2010)

Monsanto Canada Named one of Canada's Top Family-Friendly Employers for 2011. Now entering its 11th year, *Canada's Top Family-Friendly Employers* competition is organized by the editors of *Canada's Top 100 Employers*. This special designation recognizes the employers offering the nation's most progressive and forward-thinking programs for employees with young children. The employers on this list are the leaders in helping employees balance their work and family commitments. (November 2010)

2011 Worldwide Awards

DATE	LOCATION	AWARD
02.10.11	Tangerang, Indonesia	Good and Effective ESHOM Steering Committee Activity Award by local government of Banten, Indonesia.
02.24.11	Blair, Nebraska	Received their Voluntary Protection Program's Star certification.
03.30.11	Luling, Louisiana	Monsanto Company was awarded an Environmental Leadership Program (ELP) Large Business Achievement Award in Pollution Prevention for reducing natural gas consumption by 665,000 MMBTH by using recovered hydrogen. Since hydrogen stream does not contain carbon, it does not create carbon dioxide (CO ₂) when burned; instead, it forms water. The reduction in CO ₂ emissions by 38,000 metric tons/year represents the amount of CO ₂ formed by driving a car 95 million miles. With the average commuter driving 15,000 miles/year, this project is equivalent to removing 6,300 cars from the road annually. The Louisiana Environmental Leadership Program, which was established in 1996, recognizes activities and projects undertaken by Louisiana facilities that demonstrate environmental leadership.
03.30.11	Luling, Louisiana	Monsanto Company was awarded an Environmental Leadership Program (ELP) Large Business Recognition Award in Pollution Prevention for re-using steam condensate (that was previously discharged) within a production facility to reduce water and energy consumption. This project reduces the amount of demineralized water by 45 million gallons/year and an equivalent volume of water discharged from the facility. Additionally, the steam condensate provides a portion of the unit's heating requirements, resulting in the direct reduction of 25 million pounds/year of steam consumption. The facility's greenhouse gas emissions have been reduced by 1,074 metric tons/year, and criteria pollutant emissions by four tons/year. The Louisiana Environmental Leadership Program, which was established in 1996, recognizes activities and projects undertaken by Louisiana facilities that demonstrate environmental leadership.
05.19.11	Soda Springs, Idaho	Union Pacific Railroad awarded Monsanto Company with the 2011 Annual Pinnacle Award. The award recognizes Union Pacific customers that implement successful prevention and corrective plans to achieve a rate of zero non-accidental releases (NARs) for shipments of regulated hazardous materials. Monsanto is one of only 79 companies recognized.
07.07.11	Phitsanulok, Thailand	Environmental, Safety & Health (ESH) national award for dedication and commitment to safety.
07.21.11	Soda Springs, Idaho	"Perfect Record Award" for 12+ months of zero recordables from the Utah Safety Council.
07.21.11	Soda Springs, Idaho	"Award of Merit" for continuous improvement in workplace safety from the Utah Safety Council.
07.22.11	Pasir Gudang, Malaysia	Malaysian Society for Occupational Safety and Health (MSOSH) Gold Award under the category Manufacturing and Chemical Sectors, sixth consecutive year.
08.17.11	Phitsanulok, Thailand	Environmental Caring Award by the Thai Government.
09.30.11	Cachoeira Dourada, Brazil	Wildlife Habitat Council— <i>Corporate Lands for Learning</i> Certification.
10.31.11	Illiopolis, Illinois	Wildlife Habitat Council— <i>Wildlife at Work</i> certification.
12.05.11	General Santos, Philippines	Safety Milestone (SMILE) recognition award from Bureau of Working Conditions-Department of Labor and Employment (BWE-DOLE).
12.05.11	Pasir Gudang, Malaysia	Chemical Industry Council of Malaysia (CICM) Responsible Care Gold Award: Employee Safety and Health code, Process Safety Code.
12.05.11	Pasir Gudang, Malaysia	CICM Responsible Care Platinum Award: Employee Safety and Health Code, Process Safety Code.

THE MONSANTO SUSTAINABLE YIELD PLEDGE AWARDS

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The Sustainable Yield Pledge Awards (SYPA) promote, recognize and reward people and work that exemplify Monsanto's Pledge values and support our commitment to make agriculture more sustainable. Our commitment to sustainable yield is **what** we do as a company. It is our vision and strategy to work with farmers to produce more, conserve more and improve lives.

Our commitment to sustainable yield directly supports our vision and strategy to work with farmers to produce more, conserve more and improve lives. **The Sustainable Yield Pledge Awards Program demonstrates Monsanto's commitment to sustainable yield by recognizing in a public way some of the most important work our employees do every day.** These awards promote, recognize and reward people (and their work) who exemplify Monsanto's Pledge values and support our initiatives to make agriculture more sustainable.

AWARD CATEGORIES

Award categories recognize exceptional projects that parallel our commitment to sustainable yield as well as goals that are foundational to our commitment:

1. **Producing More**—projects that work with farmers and strive toward doubling yields
2. **Conserving More**—projects that work with farmers to improve resource efficiency by reducing key inputs per unit of output
3. **Improving Lives**—projects that work with farmers to improve incomes and quality of life
4. **Customer Relationships**—projects that provide value to our customers and strengthen our relationships with them
5. **Community Engagement**—projects that benefit communities where we operate
6. **Operational Excellence**—projects that improve our efficiency and operations

EVALUATION CRITERIA

Sustainable Yield Pledge Award nominations are evaluated according to two criteria:

- **Methods**— The project must demonstrate a commitment to the Monsanto Pledge through the application of Pledge values.
- **Results**—The project must create sustainable yield, customer, community or business value.

Each nomination listed all the people and groups involved in each project and explained how the project came together, its impact now, and any plans or possible impacts in the future.

AWARD HONOREES

Award honorees receive:

- A US\$15,000 grant to designate to a nonprofit organization (US\$20,000 for Judge's Choice—top prize)
- An award celebration in St. Louis

The Sustainable Yield Pledge Awards' competition resulted in 137 projects submitted from 14 functional areas over 10 global regions. Eighteen award nominee finalists were selected by delegates across the company in December 2010. Six category winners were selected by Monsanto's entire Executive Team, with input from 95% of the Monsanto Advisory Council (MAC). The Judges' Choice winner was selected by a panel of distinguished external judges, and the People's Choice award was selected by an all employee voting opportunity in April 2011. The 2011 SYPA ceremony was held in June 2011.

THE MONSANTO SUSTAINABLE YIELD PLEDGE AWARDS, *cont.*

AWARD WINNERS

For a list of all honorees, please visit www.monsanto.com/SiteCollectionDocuments/2010-Pledge-Awards.pdf

The following YouTube® videos provide a showcase for some of the previous award-winning projects:

www.youtube.com/watch?v=fE9BIKz9QGI

www.youtube.com/watch?v=R_ZEh6CWWNo

www.youtube.com/watch?v=t3Gwo76Mb68&feature=channel

www.youtube.com/watch?v=pQTeb8OEL1E

Monsanto Pledge

The Monsanto Pledge is our commitment to how we do business. It is a declaration that compels us to listen more, to consider our actions and their impact broadly, and to lead responsibly. It helps us to convert our values into actions, and to make clear who we are and what we champion.

INTEGRITY—Integrity is the foundation for all that we do. Integrity includes honesty, decency, consistency, and courage.

Building on those values, we are committed to:

DIALOGUE—We will listen carefully to diverse points of view and engage in thoughtful dialogue. We will broaden our understanding of issues in order to better address the needs and concerns of society and each other.

TRANSPARENCY—We will ensure that information is available, accessible, and understandable.

SHARING—We will share knowledge and technology to advance scientific understanding, to improve agriculture and the environment, to improve crops, and to help farmers in developing countries.

BENEFITS—We will use sound and innovative science and thoughtful and effective stewardship to deliver high-quality products that are beneficial to our customers and to the environment.

RESPECT—We will respect the religious, cultural, and ethical concerns of people throughout the world. The safety of our employees, the communities where we operate, our customers, consumers, and the environment will be our highest priorities.

ACT AS OWNERS TO ACHIEVE RESULTS—We will create clarity of direction, roles, and accountability; build strong relationships with our customers and external partners; make wise decisions; steward our company resources; and take responsibility for achieving agreed-upon results.

CREATE A GREAT PLACE TO WORK—We will ensure diversity of people and thought; foster innovation, creativity and learning; practice inclusive teamwork; and reward and recognize our people.

RESULTS

- Projects submitted — 137
- Functional areas represented — 14
- Regions represented — 10
- Number of internal delegates — 14





Stakeholder Engagement

Our stakeholders include individuals and civil society organizations that have a significant interest in our business and whose involvement with Monsanto as investors, producers, consumers, customers, collaborators, employees, and regulators helps to shape our company and its products and services on a daily basis.

STAKEHOLDER ENGAGEMENT

GRI EN26 GRI LA11 GRI S01 GRI PR1

Monsanto, as one of the world's leading scientific and agricultural business organizations, is committed to attracting and retaining the most talented employees, keeping them engaged and motivated, and providing a quality work environment where they can be increasingly productive.

These commitments extend beyond the boundaries of the Monsanto facilities as we cast a wide net to identify and engage with a range of organizations, individuals, and partners in all areas of the world and across numerous disciplines. Specifically, Monsanto's key stakeholders include:

- Monsanto shareowners, financial analysts, industry researchers, and other members of the global financial community
- Monsanto employees worldwide
- Farmers and their communities, organizations and associations, including agricultural producer organizations, farm bureaus, cooperatives and grower groups
- Animal feed providers and distributors, breeders, and livestock and poultry farmers
- Grain elevator operators, food manufacturers, processors, wholesalers, distributors and retailers
- Animal science organizations
- Insect science and insect pest control organizations
- Weed science and weed pest control organizations
- Current consumers in all parts of the world
- Farm equipment manufacturers and distributors
- Regulatory authorities, including federal, state and local agricultural agencies, environmental agencies, commerce and trade authorities, planning boards, land use authorities and water authorities
- Local and regional water utilities and authorities
- Trade associations and industry-based organizations, particularly those in the agricultural sector, including agricultural chemicals, seed trade, biotechnology, bio-engineering and genetics
- Local, state and national government officials and their agencies
- National, state and regional medical science, health and nutrition organizations
- International trade authorities

- Residential and commercial communities in areas where Monsanto has facilities and trade interests
- Non-governmental organizations and community groups
- Research scientists, universities and colleges, foundations, government-sponsored and independent research laboratories, climatologists, meteorologists, agricultural economists and agricultural science organizations
- Environmental organizations and associations
- Global scientific and food safety/security organizations
- Global development foundations
- International economic and social impact assessment bodies
- Global standard-setters

Monsanto is committed to making a difference in the world through meaningful and significant initiatives and takes pride in its contributions to society on a local and regional level throughout the world. Reporting on environmental, safety and sustainability performance is a long-standing tradition at Monsanto Company. Our goal is to provide our stakeholders with greater transparency and in-depth information about our activities.

Monsanto is committed to partnering with farmers, local governments, non-governmental organizations (NGOs) and other stakeholders. These partnerships are intended to make positive changes on a local, regional, country or global basis.

GRI S05 UN10 **POLITICAL CONTRIBUTIONS & LOBBYING**

Monsanto is committed to participating constructively in the political process, as such participation is essential to the company's long-term success. For more information, visit monsanto.com/whoweare/Pages/political-disclosures.aspx.

ADDRESSING SHAREOWNERS

Our shareowners are key stakeholders in Monsanto. As owners of our company they share a common interest in Monsanto, but they may have different perspectives and priorities.

Monsanto frequently meets and engages with shareowners to discuss areas of mutual interest. In addition to our annual report, annual meeting, quarterly earnings reports and conference calls, and our biennial investor conference, Monsanto's senior executives participate in numerous investor conferences related to agriculture. In 2011, senior leaders made formal presentations at the following conferences for the benefit of the investment community:

Goldman Sachs Fifteenth Annual Agricultural Biotech Forum
February 9, 2011

Sanford C. Bernstein & Co. Strategic Decisions Conference
June 2, 2011

UBS Best of Americas Conference
September 8, 2011

Credit Suisse Chemical and Ag Science Conference
September 14, 2011

Monsanto Biennial Investor Event
November 10, 2011

Morgan Stanley Global Basic Materials Conference
November 17, 2011

2011 Citi Basic Materials Symposium
November 30, 2011

Bank of America Merrill Lynch 2011 Industrials Conference,
December 7, 2011

We also meet regularly with stakeholders in several grower and industry advisory councils. Interested parties may provide feedback to our board through our website at www.monsanto.com.

In 2005, recognizing that many of our shareowners have views about corporate governance practices they believe will contribute to our company's success, we implemented a shareowner outreach program to solicit their views on governance and tell our governance story. Our program has continued and broadened since that time, as more of our large institutional shareowners have welcomed, and now even expect, engagement on governance matters.

We conduct our outreach throughout the year, through a combination of in-person meetings, telephone conferences and written correspondence. As appropriate, we include in the dialogue the company's subject matter experts, along with its governance professionals. Monsanto's Board of Directors not only supports this outreach program, it receives detailed summaries of each outreach meeting or telephone conference and copies of shareowner correspondence.

A key aspect of our program is that our shareowners have the opportunity to set the agenda. This outreach is not just about Monsanto promoting its governance practices. It is about learning and understanding our shareowners' governance priorities. Our company has implemented a number of changes in governance practices as a result of shareowner dialogue. Even where a shareowner's view may differ from our company's practice, we believe that both our company and the shareowner have learned from the exchange of ideas.

We strive in this outreach program to provide shareowners information about both our governance and insight into the board and management of the company. Our shareowners are not sitting in our boardroom or in management meetings, so it is our job to educate them about the character and quality of our leadership. The shareowners should be readily able to see the focus of that leadership on Monsanto's success and its willingness to carefully deliberate and address any significant issues facing Monsanto.

ADDRESSING SHAREOWNERS, *cont.*

Monsanto 2011 Stakeholder Focused Listening Sessions

To gauge the effectiveness of its focus on agricultural sustainability, Monsanto conducted a survey of 60 key stakeholders during the third and fourth quarters of 2011. Although the company has made a strong commitment to engage with various stakeholders and stakeholder groups through ongoing conversations, dialogues and numerous collaborative efforts over the past several years, the survey marked the first time the company sought to obtain more broad-based feedback on its sustainability practices from a cross-section of stakeholders around the world.

The sessions were unique in that the dialogue with key stakeholders was not about specific projects or issues of interest to both the company and the stakeholder, but was designed as an effective “listening” opportunity to learn more about how stakeholders perceived and viewed Monsanto overall.

The process involved engaging with stakeholders in different parts of the world who are aware of and value the company’s focus on the development and advancement of agricultural technology as a vital element of sustainable agriculture during the next several decades, as well as those stakeholders in the same geographic areas who aren’t necessarily strong proponents of the company’s strategy or products.

Stakeholders provided valuable insights about where they feel Monsanto is achieving success along its sustainability pathway, as well as where the company may look to make improvements.

Findings of the survey were formally presented in November 2011 to Monsanto’s senior level executives and to its entire global leadership team (the “MAC,” or Management Advisory Council), which consists of more than 115 senior executives who are responsible for the company’s operations in all parts of the world. In addition to identifying areas where stakeholders believe Monsanto appears to be achieving success, specific recommendations were made with respect to where the company needs to make refinements or adjustments in its strategic focus, operations, efforts to engage with various stakeholder groups, and efforts toward transparency and disclosure.

Monsanto recognizes the value of comprehensive stakeholder engagement in its focus on sustainability. The company plans to

continue to engage with specific stakeholders on various issues and opportunities related to sustainability through collaborative efforts, roundtables, individual meetings, and ongoing dialogues.

Sustainability and Corporate Responsibility Committee

Recognizing the increasing importance of sustainability issues, in the fall of 2010 our Board of Directors renamed its Public Policy and Corporate Responsibility Committee to the Sustainability and Corporate Responsibility Committee.

The Board amended the committee’s charter to emphasize the supervision of sustainability matters that the committee was already overseeing. Under its charter, the board committee is responsible for actively reviewing and monitoring the company’s performance and overseeing the management of risks as they affect sustainability and environmental matters. The committee also reviews the company’s engagement with stakeholders, including hosting roundtable discussions to hear directly from stakeholder groups about the company’s work on sustainability matters.

Examples of sustainability topics reviewed by the committee include human rights matters, corporate social responsibility development projects to share technology for smallholder farmers, product stewardship practices and issues and opportunities in various geographies.

PROCESS FOR DEFINING REPORT CONTENT

The continuous dialogues with internal and external stakeholders enabled management to establish priorities for the specific content included in this report. A rigorous internal review process to determine the materiality of content to be included and excluded was conducted by senior management and appropriate functional managers (such as legal, regulatory and investor relations).

The dialogue with internal and external stakeholders assisted management in determining the materiality of issues of importance to stakeholders and guided management in establishing the scope and priorities for content to be included in the 2011 Corporate Social Responsibility and Sustainability Report. The essence of these dialogues is presented on pages 12–14.

EMPLOYEE ENGAGEMENT

Monsanto employs more than 20,000 people. We've made it a priority to provide appropriate resources and training to all our employees so our company continues to adhere to the highest standards of business practices.

Monsanto engages with its employees through surveys, town halls, conferences, educational activities and support for employee involvement in community activities and initiatives. Examples include:

- **Quarterly Pulse Survey** Every quarter we sample 25 percent of our regular employees, asking five questions which comprise an engagement index: 1) Overall Pride in Monsanto, 2) Overall Job Satisfaction, 3) Willingness to Recommend Monsanto as a Great Place to Work, 4) Willingness to Offer Discretionary Effort, 5) Intent to Stay or Leave the Company. Additional questions help measure employee attitudes about overall leadership effectiveness, as well as a range of other topics related to current issues facing the company. The survey, which is global, is administered in 18 languages. The results are analyzed and presented to the Executive Team and the Board of Directors every quarter.
- **Biennial Organization Survey** Every two years Monsanto retains an outside vendor to conduct a census survey of the organization. The survey contains some 50 questions and is sent to all regular employees globally. The survey measures engagement levels and drivers in more depth than the Pulse Survey. At the end of the survey process, managers across the company can access a custom report for their team, which can be used for benchmarking with other internal groups and outside norms. Managers share the information with employees and identify ways their teams can improve the working environment.
- **Annual Upward Leadership Feedback** The Leadership-180 gives managers with three or more direct or matrixed direct reports the opportunity to receive anonymous feedback from their people about their performance as a people leader. Respondents rate their people leaders on each dimension of the People Leader Competency model. The feedback is aggregated

and shared confidentially with the individual people leaders. No copy is sent to the people leader's manager or to anyone else. To preserve objectivity, no scores are linked to bonuses or pay increases of any kind; the feedback is strictly intended for development. However, the company's Leadership and Organizational Effectiveness (LOE) Team can view aggregated data to identify broad organizational leadership development needs.

- **Development, Performance and Rewards (DPR)** The overarching goal of Monsanto's employee enrichment program, DPR, is to help people deliver great results and reward them appropriately. With Monsanto people worldwide thinking and acting in alignment with the basic principles of DPR, employees can all benefit, personally and professionally, from the success of their mutual efforts. This program enables employees to achieve their greatest potential through periodic and annual reviews, and rewards and incentives for performance.
- **Other Engagement Activities** Monsanto has several training and development initiatives to help employees throughout their careers, including:
 - Leadership development efforts, such as People Leader Learning Series, Regional Leadership Exchange Programs, Global Leadership Exchange Programs and Annual People Review & Succession Planning Process.
 - General learning opportunities and development resources, including the new Learning Connection Website (access to many on-line resources), Career Development Programs and an enterprise-wide mentoring and knowledge sharing resource: SYNAPSE.
 - Communications and outreach programs, such as Global Town Halls, functional/regional/divisional Town Halls, employee "listening sessions," and Global Business Operations—Leadership Connect Calls.

GLOBAL SUSTAINABLE AG CONFERENCE

GRI LA10 In September 2011, Monsanto brought together leaders from throughout the organization for a Global Sustainability Conference in St. Louis.



The theme of the three-day conference was “**Global Commitment. Local Leadership.**” The conference celebrated the progress we have made in sustainable agriculture and was an opportunity to renew and reenergize our sustainable agriculture commitments and plan for the future. About 175 Monsanto team members from across our global business, representing multiple functions, participated. Members of the company’s Executive Team participated, including CEO Hugh Grant. All regional teams presented sustainability plans on the last day of the conference.

The conference proceedings addressed how the company could strengthen our collaborations with customers, employees, investors, and society to promote sustainable agriculture. The company invited representatives from more than 20 other companies, farming organizations and NGOs to share best practices, learn about Monsanto and provide the company feedback.

“Incorporating the social dimension into core business strategy is the challenge that business faces for the next 20 years.”

KEYNOTE SPEAKER MARK KRAMER, DISCUSSING “CREATING SHARED VALUE,” *HARVARD BUSINESS REVIEW*; MICHAEL E. PORTER, MARK R. KRAMER, JANUARY 01, 2011. MR. KRAMER COFOUNDED FSG, A GLOBAL SOCIAL IMPACT CONSULTING FIRM, WITH PROFESSOR PORTER AND IS ITS MANAGING DIRECTOR. HE IS ALSO A SENIOR FELLOW OF THE CSR INITIATIVE AT HARVARD’S KENNEDY SCHOOL OF GOVERNMENT.

Farmer Customers

During the conference, we were joined by farmers from India, South Africa and the United States, who shared their regional and global perspectives of agriculture. Representing both small-holder and large production farms, our farmer guests called for the need for global approaches to sustainable agriculture that are also locally adaptable. They supported a systems approach to agriculture and asked that we continue to be a leader in providing solutions to farmers and representing their needs.

Industry Leader Engagement

During a session on employee engagement, we heard from industry experts from leading food and agricultural companies, including Bunge North America, Campbell Soup Company and Novozymes North America. They discussed the value of engaging employees with sustainability initiatives and also underscored the need for innovative solutions and collaborative partnerships. Their feedback for Monsanto was valuable and provided inspiration as to how all employees can be champions of sustainable agriculture.

NGO Stakeholders

In our focus on investors, we were joined by Mark Tercek, CEO of The Nature Conservancy, and a former managing director at Goldman Sachs. He recognized Monsanto’s commitment to sustainable agriculture and encouraged the company to continue to seek innovative partnerships in multiple sectors.

“Let’s put our top people together and your top people together. Let’s identify the issues where we think we can create shared value. Let’s base it on a kind of grand bargain, a conceptual grand leap forward. The private sector putting conservation front and center in its thinking while the environmental organizations do the same with productivity and yield,” said Tercek.

GLOBAL SUSTAINABLE AG CONFERENCE, *cont.*

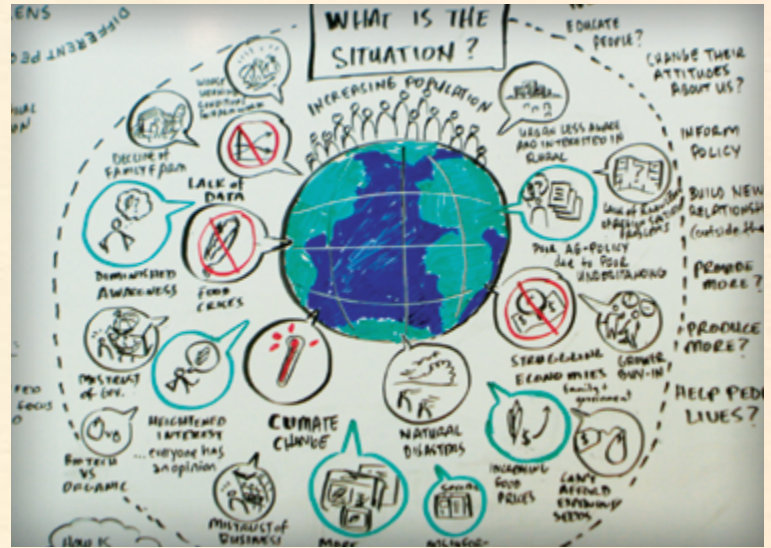
Society Stakeholders

In a discussion entitled “Balancing Stakeholder Interests,” we heard from leaders from the Bill and Melinda Gates Foundation, Conservation International Brazil and Cotton Incorporated. Participants gave the company candid feedback, recognizing our successful global partnerships with conservation organizations and other NGOs. They, too, supported our commitment to exhibit bold action and leadership to address the challenges of sustainable agriculture.

Key Takeaways

The three-day conference provided a great deal of learning for our leadership and energized the company around our sustainable agriculture goals. The perspectives of our participants provided great insights and ideas on the issues that our global teams address every day. As we lay out the path forward to drive our vision to help Produce More, Conserve More and Improve Lives, we will remain indebted for their contribution to the company’s thinking.

Participants were provided with a pre- and post-conference survey on the event. Results indicate that the conference was successful in energizing participants around our sustainable agriculture goals. Ninety-three percent of respondents felt the event “reenergized the organization around Monsanto’s sustainable agriculture commitments.” Ninety-one percent of respondents, post-conference, rank Monsanto as having “a great deal of opportunity” in the sustainability space.



STRONG SURVEY RESULTS

93% OF RESPONDENTS FELT THE EVENT REENERGIZED THE ORGANIZATION AROUND MONSANTO’S SUSTAINABLE AGRICULTURE COMMITMENTS

91% OF RESPONDENTS POST-CONFERENCE RANK MONSANTO AS HAVING “A GREAT DEAL OF OPPORTUNITY” IN THE SUSTAINABILITY SPACE

EXTERNAL ORGANIZATIONS & INITIATIVES

Throughout our company's long history, Monsanto has always maintained a close relationship with farmers, initially in the U.S. and increasingly in all corners of the world.

We are dedicated to understanding farmers' needs and helping them meet the challenges they face in their efforts to increase production, maintain soil quality, limit use of water and other scarce natural resources, adhere to increasingly stringent environmental standards, and, individually and collectively, move forward along the path of sustainable agriculture.

In particular, we are focused on the issues faced by farm families on a global basis. Our numerous stakeholder engagements around the world underscore our various commitments on both the micro- and macro-levels. The following are a sampling of sustainable agriculture collaborations and relationships with key stakeholders:

- **The National Climate Assessment (NCA)** Monsanto is engaged in the effort to prepare the 2013 U.S. National Climate Assessment. A Monsanto Senior Fellow serves on the 13-member Executive Secretariat and the full 62-member Federal Advisory Committee. He is also a lead author on the Ag Sector chapter and the Sustained Assessment chapter. The NCA, conducted every four years, is an important resource for understanding and communicating climate change science and impacts in the United States. It covers already observed changes, the current status of the climate, and anticipated trends for the future. The NCA report process integrates scientific information from multiple sources and sectors. NCA establishes consistent methods for evaluating climate impacts in the U.S. and provides input for federal science priorities. NCA findings are used by U.S. citizens, communities and businesses as they create more sustainable and environmentally sound plans for the nation's future. The NCA is commissioned by The U.S. Global Change Research Program (USGCRP), which coordinates and integrates federal research on changes in the global environment and their implications for society. NCA began as a presidential initiative in 1989 and was mandated by Congress in the *Global Change Research Act of 1990*.
- **The Conservation Technology Information Center (CTIC)** A national, public-private partnership, CTIC's mission is to champion, promote and provide information on technologies and sustainable agricultural systems that conserve and enhance soil,

water, air and wildlife resources, and are productive and profitable. Members include the agricultural industry, publications and associations, as well as conservation organizations and producers. CTIC is supported by the U.S. EPA, Natural Resources Conservation Service and other public entities.

- **The Nature Conservancy** A leading conservation organization established in 1951, The Nature Conservancy works around the world to protect ecologically important lands and waters for nature and people. Monsanto has a history dating back nearly two decades of close collaboration with TNC on a range of topics and projects, with sustainable agriculture as an overall theme. TNC and its more than one million members have protected nearly 120 million acres of land and 5,000 miles of rivers worldwide and operate more than 100 marine conservation projects globally. TNC addresses threats to conservation involving climate change, fresh water, oceans, and conservation lands. See page 50 for more details.
- **University of Florida** To boost world corn production, scientists with the University of Florida and Monsanto began collaborating in 2011 to develop an improved computer model for predicting corn growth. Such models are important in understanding the impact of climate change and decreasing water availability on agricultural production systems around the world. The new model, expected to be ready in two to three years, will make projections showing how interactions between corn varieties, environmental conditions and management practices influence grain yield. When completed, the model, which focuses on corn products for food, animal feed and fuel production, will be placed in the public domain to help researchers conduct studies and provide information to policy makers, industry personnel and extension agents who work with farmers. Monsanto's involvement is part of the *Agricultural Model Intercomparison and Improvement Project*—or AgMIP—a global modeling consortium that focuses on improving world food security in the face of climate change and enhancing climate-change adaptation capabilities in developed and developing countries. The University of Florida, Columbia University and the USDA lead AgMIP, which involves more than 300 scientists in about 40 countries.

EXTERNAL ORGANIZATIONS & INITIATIVES, *cont.*

GRI S01 GRI EC8 America's Farmers

AMERICA'S
FARMERSOVER
520
MILLIONPEOPLE HAVE BEEN
REACHED BY THE PROGRAMOVER
\$2.3
MILLIONUS DOLLARS DONATED
TO SCHOOL DISTRICTS
IN 39 STATES**The America's Farmers Grow America**

program continued its success in 2011. Over 520 million people have been reached by the program through various media. The awareness that U.S. farmers are the most productive, environmentally sustainable producers in the world continues to grow. Monsanto advocated for farmers and farm women and supported agriculture communities throughout 2011. With its ever evolving success, the America's Farmers Grow America program extended its reach to positively impact rural ag youth with the newest segment of community support sponsored by the Monsanto Fund, America's Farmers Grow Rural EducationSM.

**America's Farmers Grow Rural EducationSM**

gives farmers the opportunity to nominate a public school district in their rural community to compete for a grant of either US\$10,000 or US\$25,000 to enhance education in the areas of science and/or math. School districts that apply for a US\$10,000 grant will compete against other school districts that are located in the USDA-designated Crop Reporting District (CRD). A school district that applies for a US\$25,000 grant will compete against schools that are located in its state or designated region.



177 grants of US\$10,000 and 22 grants of US\$25,000 were awarded. Overall, the **Monsanto Fund** donated more than US\$2.3 million to school districts in 39 states through this program in 2011.

The America's Farmers Grow Rural Education Advisory

Council selects the winning grant applications from public school districts. This Advisory Council is made up of 26 farmer leaders from across the country who are actively engaged in their local communities through various leadership positions. These individuals are passionate about both agriculture and education, which is essential when choosing the best grant application.

The program started with a successful pilot in Illinois and Minnesota, in which farmers were given the opportunity to nominate a public school district in 165 eligible counties in those two states. The Monsanto Fund awarded more than US\$266,000 to local schools in 16 Crop Reporting Districts through the pilot.

The America's Farmers Grow Rural Education program is part of a broad commitment by the Monsanto Fund to highlight the important contributions farmers make every day to our society by helping them develop their youth.

EXTERNAL ORGANIZATIONS & INITIATIVES, *cont.*



Monsanto's Gothenburg Water Utilization Learning Center

In Nebraska, our Gothenburg Water Utilization Learning Center provides answers and solutions to current questions and issues raised in production agriculture. With a 324-acre research farm and more than 80 demonstrations, the center displays how farmers can use systems-based agriculture to manage drought and improve yields while using fewer inputs such as water and fertilizer.

One of the most visually impactful demonstrations shows farmers the preferred ways to prepare for drought conditions from a genetic, trait and agronomic systems standpoint. In addition to showcasing our drought-tolerant pipeline technologies derived through breeding and biotechnology, the center demonstrates a systems-based approach to help farmers manage dry conditions, the effects of planting population and row spacing under various irrigation regimes, and irrigation management options for limited water.

The center has the ability to reach a diverse group of people to demonstrate how our technologies can help farmers produce more while conserving more. In 2011, nearly 4,000 people visited the center—including farmers, dealers, retailers, crop consultants, company executives, members of non-governmental agencies, politicians, university personnel and journalists.

GRI EC8 Research Center Tour Program

Visiting our research centers is a unique opportunity to see, touch and feel the science that is dedicated to improving the agricultural productivity of the seeds that are planted on farms around the world. In addition, visitors to Monsanto's research facilities meet and talk with the men and women who are committed to increasing the quality and quantity of the food needed by an ever-growing global population.

Monsanto has hosted visitors for two decades. In 2011, 14,302 visitors experienced first-hand the research labs, growth chambers and greenhouses, while meeting the people who are working to improve yields, control pests and improve product qualities.

Guests come from around the world and all walks of life. Growers, agri-business, students and teachers comprised 79 percent of visitors last year. Government officials, members of the media, Monsanto employees, and community and civil society leaders completed the guest list.

Experience has shown that each person arrives for a tour with their own perceptions of the world, the problems that face the planet and ideas of what should be done to ensure a positive future. As they leave, many say they have new information to think about; what seemed simple is more complex than they once thought, and that their understanding of agriculture has expanded.

14,302

**VISITORS HOSTED
IN 2011**

EXTERNAL ORGANIZATIONS & INITIATIVES, *cont.*

Water Efficient Maize for Africa (WEMA) Update

WEMA is a public/private partnership, initiated in 2008, dedicated to improving lives through the development of products that help smallholder farmers mitigate drought risk and manage insect pressure.

Led by the Kenya-based African Agricultural Technology Foundation and funded by the Bill and Melinda Gates and Howard G. Buffett foundations, WEMA key partners include the National Agricultural Research Institutes in Kenya, Mozambique, South Africa, Tanzania and Uganda, the International Maize and Wheat Improvement Center (CIMMYT) and Monsanto.

Since its inception, the WEMA partnership has successfully developed a robust pipeline of new drought-tolerant hybrids that will be available to local seed companies royalty-free over the next five to six years. In 2011, the African Agriculture Technology Foundation entered two conventional maize hybrids into National Performance Trials in Kenya. The first WEMA products are expected to be available to farmers in early 2014.

Like drought, insects are a major challenge for maize farmers in Africa, who often have little to no resources to effectively

manage them. During drought, tolerant maize hybrids are particularly susceptible to pests that are likely to feed on greener, healthier plants in the fields. In 2011, the Executive Advisory Board of the WEMA project requested access to insect protection technology to complement the efforts to develop drought-tolerant maize hybrids for smallholder farmers in Africa.

Monsanto agreed to provide the technology royalty-free to the WEMA project for Sub-Saharan Africa, except in the Republic of South Africa where smallholder farmers already have access.

Maize hybrids developed in the WEMA project will help produce more reliable harvests and better grain quality. Monsanto estimates this effort could result in new white corn hybrids that may provide 20 to 35 percent more yield during moderate drought—enough to help keep hunger at bay for many in the region.

This effort is only part of what is needed to help these farmers boost their yields and incomes. Farmers also require good soil health, improved training and information, and access to markets.

WEMA represents a great example of people from different institutions and backgrounds partnering together to achieve a common vision. For more information about the partnership, please visit www.aatf-africa.org.



20%-35%

MORE YIELD ESTIMATED
AS A RESULT OF THE WEMA EFFORT IN SUB-SAHARAN AFRICA

KEY STAKEHOLDER ENGAGEMENT PROFILES

GRI ENG, 14, 26 GRI S01 GRI EC8

Meeting the challenges associated with addressing the world's agricultural needs in the approaching decades calls for collaboration of stakeholders from virtually every sector in the food value chain, including governments, universities, think tanks, environmentalists, international economic organizations and numerous other entities in the public, private and social sectors.

Over the past decade, Monsanto has sharpened its focus on sustainable agriculture. We recognize the need for comprehensive stakeholder engagement, including active and ongoing participation in multiple stakeholder initiatives focused on increasing agricultural productivity, reducing the environmental impact of agriculture, and raising the economic success of the farmer in all parts of the world.

In this section, we highlight **four of Monsanto's stakeholder engagements** that are continuing to elevate the sustainable performance of agriculture in various parts of the world. Monsanto is committed to these organizations and others with similar aims around the world, both through the direct and continuing involvement of our various business leaders and through ongoing financial support to maintain these initiatives and advance their work.

farm-to-table, with participants collaborating to address the challenge of producing enough food, fiber, and fuel for a rapidly-growing global population—projected to reach nine billion by 2050—while conserving natural resources.

Today, Monsanto is actively involved in Field to Market, participating with nearly 50 companies, universities, organizations, and industry associations, to develop and implement methods for gathering information throughout the food chain, to establish benchmarks and to find ways to improve productivity and conservation.

The Field to Market Environmental Resource Indicators Report evaluated changes over the past 20 years of data for land, water, energy use, soil loss and climate impact for corn, soybean, cotton and wheat production in the United States.

The work of Field to Market on commodity crops is considered best in class practice for measuring sustainability at the farm level. Among a variety of applications, the report findings were used to develop the *Fieldprint Calculator*, which helps farmers analyze how their management practices influence natural resource outcomes on their farms. This effort defines sustainable agriculture and provides science-based, technology-neutral ways to measure performance over time.



Field to Market:
The Keystone Alliance for
Sustainable Agriculture

Monsanto is proud to be a founding member of Field to Market, an initiative of The Keystone Center that traces its roots to 2006 and brings together representatives from all elements of the food chain. Members range from

KEY STAKEHOLDER ENGAGEMENT PROFILES, *cont.*

The Sustainability Consortium

Established in 2009, The Sustainability Consortium (TSC) was designed to develop science-based quantitative measurements for evaluating product sustainability throughout the entire product lifecycle across all relevant consumer goods sectors.

Monsanto was among the founding members of this global initiative, playing a critical role in the early stages of the organization and collaborates in the development of a scientific framework for measuring and reporting on agricultural sustainability. TSC is an organization of diverse global participants working to make the world more sustainable through better products, services and consumption. The global organization describes its vision as “creating a common language to provide all decision makers with transparent and accessible information about the environmental and social impacts of the life cycle of products, goods and services.”

TSC delivers results through science-based tools that improve informed decision making for product sustainability throughout product life cycles. TSC is developing a standardized framework for the communication of sustainability-related information throughout the product value chain. This framework, called the Sustainability Measurement and Reporting System (SMRS), serves as a common global platform for companies to measure and report on product sustainability.

With SMRS, companies can improve the quality of decision making about product sustainability, enabling them to design better products, more effectively manage the sustainability of upstream supplies and suppliers, and communicate product sustainability downstream to consumers.

World Economic Forum’s (WEF) “New Vision for Agriculture”

Monsanto’s executive leadership played an active role in the inception and development of the WEF “New Vision for Agriculture.” Today, 26 leading partner companies, representing the full food value chain, are working to build a framework for advancing global agriculture over the course of the next several decades.

The Vision they share focuses on **three critical goals**:

1. To meet nutritional demands while providing affordable choices across the food value chain.
2. To conserve or enhance the quality and quantity of natural resources and meet the challenges of changing climate.
3. To drive rural and national economic development around the globe with well-targeted investments.

The initiative established a “20/20/20” framework for achieving results, which specifies: increasing productivity by 20 percent per decade, reducing the environmental footprint by 20 percent per decade and increasing the income of the rural family by 20 percent per decade.

The Vision’s 2012 report, *Putting the New Vision for Agriculture into Action: A Transformation Is Happening*, outlines six elements that are essential to accomplishing large-scale transformation. These are Leadership and Stakeholder Alignment, Clear Strategy and Priorities, Concrete Investment and Entrepreneurship Pipeline, Enabling Hard and Soft Infrastructure Policies and Investments, Catalytic Financing and Risk Management Solutions, and Robust Mechanisms and Institutions for Delivery, Implementation and Durability.

While the New Vision initiative draws upon experiences and developments occurring in many parts of the world, the report describes specific country-led initiatives launched by the Vision team in Vietnam, Indonesia, Mexico and Tanzania, and creation of the GROW Africa task force to develop similar initiatives for other interested African countries. The GROW Africa partnership, convened jointly by the African Union, The New Partnership for Africa’s Development (NEPAD) and the WEF, works to accelerate sustainable investment in African agriculture to improve the continent’s food security.

A transformation of the global food system is underway, representing tremendous potential to improve livelihoods and ecosystems worldwide. Along with the 26 partner companies contributing leadership and technical expertise, the Vision initiative’s knowledge partners — the Food and Agriculture Organization of the United Nations (FAO), the Harvard Kennedy School’s Corporate Social Responsibility Initiative, and the International Food Policy Research Institute — are actively involved in this work. The WEF’s Global Agenda Council on Food Security, a high-level multi-stakeholder group, also provides guidance in an advisory role.

KEY STAKEHOLDER ENGAGEMENT PROFILES, *cont.*

Global Harvest Initiative

The Global Harvest Initiative, a global multi-stakeholder partnership, was initiated by Monsanto, John Deere, ADM and DuPont four years ago. The partnership identified priority policies and investments to meet our global agricultural needs. A key achievement was the production of the *Global Agricultural Productivity Indicator* (GAP) report. The GAP report serves as a leading indicator and a call to action for officials and policy makers to make policy adjustments, focus investment or commit additional resources. The GAP reporting methodology involves the use of a well-documented productivity analysis that reveals the relationship between inputs and outputs for the agriculture sector. The goal is to increase the ratio of outputs to inputs per sector.

On a global scale, there is a gap between agricultural productivity gains in recent years and the projected gains required over the next several decades. Sustainably doubling agricultural output by 2050 will require total agricultural productivity to grow at an annual average rate of at least 1.75 percent from a relatively fixed bundle of agricultural resources. Yet, over the past seven years, that rate has averaged 1.4 percent (source: USDA).

The difference between the prevailing historical trend and the required higher rate is the productivity gap. In this case, to close this gap, the rate of growth must be 25 percent faster than the recent trend, a significant challenge given the current rates in many parts of the world.

The Global Harvest Initiative believes this goal can be sustainably achieved by focusing on key priorities such as expanded and better focused research, approvals of new science-based technologies, liberalizing and strengthening the global rules-based trading system, strengthening and streamlining international development programs, and finding ways to mobilize private sector investment and involvement.



25%

**IMPROVEMENT IN
GROWTH RATE**

REQUIRED TO SUSTAINABLY DOUBLE
AGRICULTURAL OUTPUT BY 2050

BUSINESS PROFILE	3
STAKEHOLDER ENGAGEMENT	11
TECHNOLOGY AND BUSINESS GOVERNANCE	25
COMMITMENT TO SUSTAINABLE AGRICULTURE	38
PRODUCING MORE	40
CONSERVING MORE	47
IMPROVING LIVES	62
GRI INDEX	89



Technology and Business Governance

As a technology innovator and global leader, Monsanto is committed to assuring the safety and quality of its products and promoting a culture of integrity through its business conduct. The Company promotes safe product stewardship internally, with its farmer customers, within the industry and around the world. It promotes integrity through the Monsanto Pledge and a strict Code of Business Conduct.

MONSANTO PRODUCT STEWARDSHIP

GRI PR1, 6

UN7

Product stewardship—which we define as the legal, ethical and moral obligation to ensure that Monsanto’s products and technologies are safe, environmentally responsible and used properly—applies the principles of the Monsanto Pledge to our products, actions and businesses.

Product stewardship aligns our product offerings with the commitment Monsanto employees make to our Code of Business Conduct. Product stewardship initiatives are designed to assure the safety and integrity of our products and the processes used to develop, produce and manage them.

In simple terms, product stewardship is about the responsible development, management and use of our technologies and products across our seeds, traits and crop protection businesses throughout our products’ entire life cycles. Stewardship throughout Monsanto’s global regions includes row crops, vegetables and crop protection products.

Effective product stewardship by Monsanto protects our customers, products and the environment. It adds business value by ensuring growers benefit from technology, and aligns our activities with industry stewardship standards.

Monsanto takes product stewardship very seriously and considers stewardship to be a fundamental component of responsible business practices and customer service.

Product stewardship policies are set at the highest levels of the company and extend throughout Monsanto’s culture. Our commitment to careful and responsible product development, management, use and discontinuation drives our efforts. Employees, acting as owners, embrace the principles of excellence and continuous improvement.

Across the Monsanto organization, programs and processes are established and implemented to achieve specific business results. Certain key activities within these current programs and processes also have an impact on product stewardship. As technology continues to advance, new stewardship programs

and processes are developed to continue safe and responsible delivery of innovative products to our customers.

Our success depends on every employee’s active participation—product stewardship is everyone’s job.

INDUSTRY STEWARDSHIP

Commitment to stewardship is not only critical to Monsanto’s success, but also to the success of the agricultural biotechnology industry overall.



EXCELLENCE THROUGH
STEWARDSHIP®

Advancing Best Practices in Agricultural Biotechnology

Monsanto is a founding member of Excellence Through Stewardship®, the plant biotechnology industry standard for stewardship best practices under a program that encompasses the entire product development and commercial life cycle, and includes third-party audits to verify that program requirements are met.

Monsanto is meeting the Excellence Through Stewardship (ETS) audit requirements by having stewardship programs and quality management systems that are consistent with ETS. With a commitment to global implementation and certification of all of the company’s world regions over time, four Monsanto world regions have already achieved ETS certification: United States in 2009, Canada in 2010, Brazil in 2011 and Latin America South in 2011.

MONSANTO PRODUCT STEWARDSHIP, *cont.*

UN7 STEWARDSHIP PROTOCOLS

The framework Monsanto uses to set the path for stewardship activities is the Life Cycle Stewardship Activities Management Process, or LCStAMP, which guides the activities that carry each product through its life cycle and tracks responsible product development, management, use and discontinuation.

There are four main components in the LCStAMP framework. The first component involves identifying the key activities that impact product stewardship for a particular product. The second component provides for stewardship planning and review sessions, allowing teams to monitor progress and plan for upcoming stewardship milestones. The third component is the Stewardship Activities Management Process Electronic Repository, or StAMPER, a web-based IT tool that allows stewardship teams to monitor and record key stewardship information, providing consistent and timely information about

status and compliance across our product portfolio. The fourth component is comprised of audit or verification measures to confirm and document progress toward, or fulfillment of, required stewardship activities.

LCStAMP also provides a tool to retain documentation that tracks the key activities impacting Monsanto’s stewardship commitments. The framework verifies consistency and compliance in stewardship efforts, helping the company identify and leverage best practices for effective results. LCStAMP facilitates stewardship activities through proactive stewardship planning, provides verification of performance and provides a mechanism for continuous improvement.

The Product Stewardship team developed computer-based training on product stewardship and LCStAMP, which achieved an initial completion rate greater than 85 percent and continues to be deployed across Monsanto’s world regions.

LIFE CYCLE STEWARDSHIP ACTIVITIES MANAGEMENT PROCESS (LCStAMP) FRAMEWORK



STEWARDSHIP MATTERS

GRI PR1, 3, 6

Monsanto is working with industry groups, in consultation with seed companies and farmer organizations, on mechanisms to transition proprietary biotech traits to so-called generic status to enable access to technology and farmer choice.

This is a key issue in our industry right now, and the discussion has been generated in part by Monsanto's first-generation Roundup Ready ("RR1") soybean trait because the last U.S. patent on that trait will expire in early 2015. Farmers and seed companies that want to continue to work with the trait will have to address the regulatory implications of that decision.

Sustainability of Biotech Trait Use After Patent Expiry

Even after the patents have expired, seeds that contain RR1 will still be highly regulated in many countries to which U.S. soybeans are exported. Industry stewardship guidelines, such as the Excellence Through Stewardship program, take the position that a trait should not be planted in a country unless that trait has been approved for import into all important export destinations for that crop.

Although Monsanto is discontinuing its use of the RR1 trait and converting to the new Genuity® Roundup Ready 2 Yield® soybean trait, the company announced plans to support key import approvals for the RR1 trait through year 2021. For seed companies that want to continue to use the RR1 trait, that notice provided over ten years (six of them post-patent) to make arrangements to provide ongoing regulatory support for the RR1 trait.

The six years of support that Monsanto is providing following patent expiry is considered to be ample time for interested parties to create an entirely new regulatory data package to provide ongoing support for the use of the RR1 trait. That may not be necessary if the industry, working through the Biotechnology Industry Organization (BIO) and the American Seed Trade Association (ASTA), is successful in establishing a process that

will enable interested companies to strike an alternative arrangement. Under such an arrangement, Monsanto would either continue to support RR1 past 2021 or would transfer the existing RR1 regulatory data package to another entity that would provide continued support.

Being a leader in biotech trait development has benefitted Monsanto, but also means that Monsanto is the first company to have to wrestle with many difficult issues presented by this relatively new technology. By providing a long lead time for those interested in continued use of the RR1 trait, Monsanto hopes that it provides a valuable model to the rest of the industry for the sustainable use of traits after patent expiry.



PRODUCT STEWARDSHIP AWARD OF EXCELLENCE

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Monsanto created the Product Stewardship Award of Excellence to recognize individuals and teams for significant stewardship accomplishments that contribute to Monsanto's business success around the world. The program is designed to reinforce the message that product stewardship is everyone's job and promotes awareness of product stewardship by utilizing examples of stewardship in action.

In 2011, 100 projects involving more than 500 employees were nominated. Twelve projects and 115 employees were selected for recognition of excellence and business impact. Recognized projects represent all regions where Monsanto operates, and many projects extend across borders and have global implications. These projects include weed and insect management best practices, proper handling of regulated seed in field trials, environmentally sound disposal of chemical containers and obsolete treated seeds, and the integrity of materials in Monsanto's research and development pipeline. Recognized teams also helped manage issues and demonstrate the integrity of Monsanto's products to governments and growers.

2011 PRODUCT STEWARDSHIP AWARD OF EXCELLENCE

100 **➤** **12**

**PROJECTS INVOLVING
MORE THAN
500 EMPLOYEES
WERE NOMINATED**

**PROJECTS
AND 115 EMPLOYEES
WERE SELECTED FOR
RECOGNITION OF EXCELLENCE
AND BUSINESS IMPACT**

THE 2011 PRODUCT STEWARDSHIP AWARD OF EXCELLENCE RECIPIENTS

Ag Container Recycling Council

The Ag Container Recycling Council (ACRC), supported by Monsanto since the Council's formation in 1992, is the oldest, voluntary, industry-funded product stewardship program in the United States, providing users of crop protection products with an extremely convenient means to recycle used containers. To ensure that the collected plastic is handled safely during processing, and used only in end uses that have minimal contact with humans, the ACRC audits all processing and end-use manufacturing facilities for compliance with all applicable health, safety and environmental regulations. The ACRC program now covers 42 states and has recycled more than 120 million pounds of triple-rinsed containers.

Electronic Insect Resistance Management Corn Calculator

To help growers correctly apply refuge requirements for Genuity® SmartStax® corn and other insect-protection traits in our portfolio, the team worked with Dow AgroSciences to develop an electronic calculator to give growers one tool that will provide refuge requirements for any multiple set of corn traits offered in the industry. As a result of the broad industry involvement—all four major corn trait providers (Monsanto, Pioneer, Dow and Syngenta) included their products—the calculator has now been donated to the National Corn Growers Association (NCGA).

PRODUCT STEWARDSHIP AWARD OF EXCELLENCE, *cont.*

Engaging a Key Partner as a Project Enabler in Brazil

The team launching Intacta RR2 PRO™ soybeans in Brazil recognized that product stewardship compliance was critical to success. To facilitate compliance in demonstration plots in 500 growers' fields, the team approached John Deere, a leading supplier of farm equipment, to supply dedicated machinery for the demo plots, allowing data tracking and productivity measurement.

Field Trial Compliance for Regulated Corn Seed in India

During 2010, the India Manufacturing Technology Team began multiplying parent seed production and parent testing of transgenic corn seeds. Working with regulated material represented a significant change from the management requirements for conventional seeds. Contracting with ten farms that met isolation requirements, farmers were briefed on specific requirements, agricultural universities were contacted,

state authorities were approached, and progressive local farmers were enlisted as allies. Constructive dialogue helped maintain isolation distances when neighboring farmers began planting corn and expedited regulatory visits to verify compliance and enable immediate harvest during heavy rains.

South African Maize Seed Integrity

In 2008, four key corn hybrids were withdrawn from the South African market due to quality issues that depressed yield. A team of scientists from the trait integration and manufacturing organizations worked to identify the issue so as to improve the quality of these products. In less than three years, the team was able to reintroduce the commercial biotech hybrids into the market. This effort demonstrated Monsanto's innovation and responsible use of technology to provide solutions that assure product performance, while satisfying expectations of its farmer customers.



MONSANTO CODE OF BUSINESS CONDUCT

GRI S02-3 Monsanto's commitment against corruption starts with a strong tone of integrity set at the highest levels of the company.

Monsanto analyzes 100 percent of all business units for risks related to corruption. It maintains constant vigilance in auditing all business units for compliance with our anti-corruption policy and practice protocols.

Maintaining a strong culture of integrity in a dynamic corporate environment requires continuous review and oversight. In 2011, the Business Conduct Office implemented updated global anti-corruption risk mitigation protocols, launched these protocols across 100 percent of all business units through Monsanto's Regional Working Group structure and completed numerous training and communication campaigns to assure complete coverage and employee awareness.

Regional Working Group membership includes the highest ranking business, finance and legal executives in each business region or unit. These teams oversee employee compliance with Monsanto's anti-corruption best practices program and controllership policies. Working groups pre-approve business engagements with the potential for elevated risk from, or exposure to, corruption.

The Monsanto Board of Directors approved an update to the Code in the first quarter of 2012. An updated Code will be published in 30 different languages to support education of all employees as well as our vendors who are required to adhere to the spirit and intent of our Code. For more information, please visit www.monsanto.com/whoware/Pages/business-conduct.aspx

GRI HR3

GRI LA10

GRI S03, 10

Business Conduct Policy & Employee Training Data

Employee training promotes awareness and enables employees to perform their tasks efficiently. The Code mandates compliance with all laws. The Monsanto Pledge directs employees to act appropriately in any business situation because no training program can fully describe the proper course of action in every situation. Training helps employees anticipate situations likely to arise in the dynamics of our business and to be prepared to meet those challenges in appropriate ways. To this end, the Business Conduct Office (BCO) supported seven training programs in various computer-based presentations for more than 20,000 employees.

The training is focused on Monsanto's social, legal and ethical responsibility priorities, including:

- Code of Business Conduct and annual certification of compliance
- Anti-corruption and Monsanto's anti-corruption best practices
- Human rights
- Respect in the workplace
- Employee opportunities to raise business conduct concerns for both employees and people managers
- Copyright compliance
- Anti-trust

MONSANTO CODE OF BUSINESS CONDUCT, *cont.*

The BCO also maintains training materials on a dedicated website accessible by all computer-enabled employees in all global regions. Employees are encouraged to seek additional guidance from their managers, their human resources generalists and the senior management team in their region. Posters placed throughout all of our physical locations direct employees to toll-free phone numbers and the Business Conduct confidential mailbox to enable direct access by all employees who feel their concerns may not be fully heard or appreciated in their local environment. Retaliation for reporting good-faith concerns to the BCO is strictly prohibited.

Finally, corporate training schedules are coordinated across functions to prevent employee fatigue in training and to space out the training requirements over the year in a manageable format for maximum content retention with minimal disruption to business productivity.



Business Conduct Awards

Each year, Monsanto provides formal recognition to employees who demonstrate integrity in exceptional ways. These employees are personally recognized by the Executive Team before the entire company via webcast during our Safety & Ethics Award Ceremony and dinner.

Program Overview and History—In 2010, the Business Conduct Office (BCO), in cooperation with other functional areas, developed an awards program that recognizes exemplary behavior that supports and strengthens the BCO's compliance and ethics program and the company's culture of integrity.

Concept of Award Program—The program recognizes group or individual employee contributions that strengthen Monsanto's culture of integrity, recognize and address compliance with all legal, regulatory and company policy requirements, or create efficiencies in existing compliance practices.

Eligibility—All Monsanto employees worldwide are encouraged to participate and are eligible for recognition.

Award Categories

- **Integrity Champion Award:** Compliance awareness or educational projects or initiatives that result in employees, vendors or customers conducting business in a way that clearly demonstrates a commitment to integrity.
- **Compliance in Action Award:** Initiatives or action that detect and address internal control weaknesses that may lead to non-compliance issues.
- **Operational Excellence Award:** Ideas and resulting action plans that create meaningful process improvements and efficiencies to existing compliance activities.
- **Courage in Integrity Award:** Demonstration of individual courage and foresight to recognize and proactively address observed non-compliance under adverse conditions.

For 2011, across all categories, Monsanto recognized **forty-two employees** as regional award winners who contributed in a meaningful way to their region's culture of integrity and **fifty employees** as global award winners who contributed to Monsanto's corporate culture of integrity in ways that hold the potential for improvement across all or multiple business units.

UN GLOBAL COMPACT

In 2009, Monsanto Company became a member of the UN Global Compact, the world's largest sustainability and corporate citizenship initiative. The Global Compact is comprised of more than 8,000 participants, including over 6,000 businesses in 135 countries around the world.



Communication on Progress 2011

SUMMARY, MEASURES AND RESULTS

Monsanto remains committed to aligning its operations with the Compact's Principles in the areas of human rights, labor, environment and anti-corruption. Monsanto maintains its commitment to making the Global Compact and its principles part of the strategy, culture and day-to-day operations of our company.

Through the Global Compact, Monsanto is also committed to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Millennium Development Goals.

The UNGC asks companies to embrace, support and enact, within their sphere of influence, a set of core values which relate to the Global Compact Principles. These are Monsanto's actions and concomitant results.



GRI HRI-7 Human Rights

UN1: PRINCIPLE 1

Businesses should support and respect the protection of internationally proclaimed human rights.

- Monsanto adopted a human rights policy in April 2006, guided by the tenets of the Universal Declaration of Human Rights and the International Labor Organization's Declaration of the Fundamental Principles and Rights at Work. In 2011, Monsanto continued its focus on implementing the policy at its sites and with its business partners. See page 64 for more details.
- Monsanto launched its third mandatory computer-based Human Rights Policy training module to all employees, which consisted of fictional scenarios and quizzes, and required a 100 percent score to pass the course.

UN2: PRINCIPLE 2

Businesses should make sure they are not complicit in human rights abuses.

- In 2011, Monsanto included human rights compliance clauses in the direct contracts it signed with seed production business partners.
- Because the global risk assessments of the countries in which Monsanto does business had been conducted three years ago, Monsanto updated them in 2011. As a result, a number of country classifications changed, and the company's efforts were prioritized to focus on high-risk situations to ensure that its policy and practices are aligned in the protection and advancement of human rights.
- Monsanto assesses its business partners for compliance with the policy on a rotating schedule according to risk level. In 2011, the company conducted over 37,000 assessments, primarily in India and Africa. See page 65 for more details.

UN GLOBAL COMPACT, *cont.*

GRI LA7 GRI SO10 Labor Standards

UN3: PRINCIPLE 3**Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.**

- Monsanto continues to enjoy good labor relations with all its employee representatives.
- In 2011, Monsanto successfully concluded a negotiation with a new union at its site in Ica, Peru. See page 65 for more details.

UN4: PRINCIPLE 4**The elimination of all forms of forced and compulsory labor.**

- Audits of labor and management practices are conducted routinely at Monsanto's facilities and those of its business partners to ensure compliance with Monsanto's policy and identify situations which require intervention and remediation. The audits are designed to ensure compliance with our policy and all local legal requirements.
- In the United States, Monsanto continues to operate as the payroll agent for many of its small farm labor contractors to ensure that the workers are compensated correctly.
- Verification that Monsanto's business partners do not engage in forced or compulsory labor is conducted by independent third-party auditors in certain world areas. Findings are reviewed with any grower where questions arise or questionable conduct is suspected and are acted upon immediately. See page 65 for more details.

UN5: PRINCIPLE 5**The effective abolition of child labor.**

- Based on the standards articulated in the International Labor Organization (ILO) Convention, Monsanto's human rights policy prohibits any form of exploitative child labor. In those situations where minors may legally be employed, Monsanto will act to assure that such employment does not interfere with the educational opportunities of the children and will not expose young workers to situations that are likely to jeopardize their health or safety.
- Monsanto's strategic program in India to eliminate child labor continues to record well under one half of one percent child

labor. In 2011, the company maintained this low level while it added 9,000 new hybrid cottonseed growers. See page 67 for more details.

- In addition, Monsanto's child labor monitoring program in its business partners' vegetable fields also recorded well under one half of one percent child labor. See page 67 for more details.

UN6: PRINCIPLE 6**Eliminate discrimination in respect of employment and occupation.**

- Monsanto's commitment to the elimination of discrimination in the workplace can be found in its Human Rights Policy, Equal Employment Opportunity Policy and Anti-Harassment Policy, all of which are supported by the company's extensive internal training programs.
- Monsanto's commitment to diversity has been widely recognized:
 - Ranked 41st on the 2011 DiversityInc Top 50 Companies for Diversity List. See page 6 for more details.
 - A 2011 rank of 46th on the 21st annual "Top 50 Employers" in *Minority Engineer Magazine*.
 - The St. Louis Legal Team received the inaugural 2011 Diversity Award by Mound City Bar Association (MCBA), Missouri Asian American Bar Association (MAABA) and the Association of Corporate Counsel, St. Louis Chapter (ACC). See page 6 for more details.



UN GLOBAL COMPACT, *cont.*

GRI EN5-7, 14, 18, 26

GRI PR1, 3

Environment

UN7: PRINCIPLE 7

Business should support a precautionary approach to environmental challenges.

- Monsanto complies with all applicable laws and regulations in the testing and evaluation of our products for environmental impacts. Monsanto's safety data packages meet the rigorous standards of regulatory authorities around the world.
- Monsanto has established practices to further the responsible management of its products and technologies throughout the product life cycle from product concept to product discontinuation. Monsanto has established a Life Cycle Stewardship Activities Management Process (LCStAMP) that guides and tracks the management of its life cycle stewardship activities. It verifies consistency and compliance, leverages best practices, facilitates proactive stewardship planning and provides for stewardship verification and continuous improvement. See page 27 for more details.
- Monsanto also operates within the Excellence Through Stewardship program, an industry-leading product stewardship program sponsored by the Biotech Industry Organization. This program includes third party audits of the company's stewardship programs and quality management systems. Monsanto's U.S. region was certified in 2009, followed by Canada in 2010 and Brazil and Latin America South in 2011. Information regarding the Excellence Through Stewardship program can be found at excellencethroughstewardship.org or on page 26.
- As the leader in the stewardship of Roundup agricultural herbicides, Monsanto implemented a stewardship program called the Glyphosate Endangered Species Initiative. The program provides growers with a simple web-based tool, Pre-Serve, to identify areas where threatened or endangered plant species may exist near agriculture. The website prescribes best management practices that growers must implement with certain use patterns and application rates in these identified areas to minimize risks to the protected plant species.
- Monsanto enables the public sector research community to independently conduct research studies on commercially available seed products in laboratory, greenhouse, and field settings for the purpose of understanding the technology, education,

extension and the safe and effective use of these products. The company does this through the use of Academic Research Licenses (ARLs). ARLs are in place with all major agriculturally focused U.S. universities—about 100 in total. For more information, please visit www.monsanto.com/newsviews/Pages/public-research-agreements.aspx.

See page 49 for additional examples of our efforts.

UN8: PRINCIPLE 8

Undertake initiatives to promote greater environmental responsibility.

- Monsanto is committed to developing environmentally responsible products that help farmers produce more food and feed using less land, water and other resources, including energy. The company's products have helped enable farmers around the world to reduce their greenhouse gas emissions, pesticide use, and energy costs and prevent soil loss to erosion.
- Monsanto is also committed to reducing energy consumption, emissions and raw material, including water consumption from our operations and facilities. Since 2000, steady progress has been made on this commitment and reported. See charts on pages 58–60. The company is also a leader in habitat protection and restoration associated with its facilities globally.

See CONSERVING MORE section starting on page 47 for additional examples of our efforts.

UN9: PRINCIPLE 9

Encourage the development and diffusion of environmentally friendly technologies.

- Monsanto's technologies have been demonstrated to be environmentally superior compared to alternatives. The company has made them available to growers around the world, always complying with national laws and regulations applicable to obtaining approvals and use. According to the International Service for the Acquisition of Agri-biotech Applications (the "ISAAA"), biotech crops are now being used in 29 countries by approximately 16.7 million farmers. The company has made its products available to growers in 27 of those countries.
- Monsanto has broadly licensed its patented biotech and seed traits globally to hundreds of companies. This practice has facilitated diffusion of environmentally friendly technologies to farmers around the world.

UN GLOBAL COMPACT, *cont.*

- Monsanto's products have also contributed significantly to the reductions in greenhouse gas emissions. As reported in this same study, Monsanto's biotech crops have resulted in less fuel use because of fewer applications of certain pesticides. The company's herbicide tolerant crops, in conjunction with Roundup agricultural herbicides, enable no-till and reduced tillage agriculture. The reduction in carbon dioxide emission associated with reduced fuel use and tillage practices in 2008 were estimated to be 1,205 million kg and 14,417 million kg, respectively.
- Monsanto is committed to the proper use and long-term effectiveness of its herbicide products through a four-part stewardship program:
 - developing appropriate weed control recommendations
 - continuing research to refine and update recommendations
 - education on the importance of effective weed management
 - responding to repeated weed control inquiries through a product performance evaluation program

- Monsanto has developed the Roundup Ready PLUS™ program to further its commitment to stewarding weed resistance to glyphosate and other herbicides in Roundup Ready crops. Roundup Ready PLUS is a resource to help farmers stay informed about weed resistance and develop a proactive approach to control glyphosate-resistant weeds. Weed scientists, academia and others in the industry support these recommendations, which were developed based on the most up-to-date studies. For more information visit www.roundupreadyplus.com.
- Monsanto is also committed to preserving the utility of its insect-protected technologies through ongoing Insect Resistant Management (IRM) efforts. These efforts are focused on the following actions:
 - Continually working to increase overall awareness of the need for, and adoption of, strong IRM programs through Monsanto seed dealers, as well as the academic community
 - Carefully evaluating the need for updating its best management practices or agronomic recommendations as new scientific data becomes available
 - Continuing multi-year, wide-scale monitoring of insect populations through the Agricultural Biotechnology Stewardship Technical Committee (ABSTC), a consortium of agricultural biotechnology companies and associations
 - Actively investigating claims of insect resistance
 - Conducting thorough, generational studies on sample insect populations as appropriate to determine if stable and inherited resistance is present
 - Monitoring and studying the occasional performance issues in fields with very high insect population densities that exceed control thresholds
- Monsanto is committed to working through public-private partnerships to facilitate diffusion of its environmentally friendly technologies into developing countries. Monsanto has partnered with the African Agricultural Technology Foundation, and the International Maize and Wheat Improvement Center to develop water efficient maize in six African countries. This project is funded by the Bill and Melinda Gates Foundation and Howard Buffet Foundation with "in-kind" contributions from Monsanto. For more information, please visit www.monsanto.com/ourcommitments/Pages/water-efficient-maize-for-africa.aspx.

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GRI S02-4 Anti-Corruption

UN10: PRINCIPLE 10

Businesses should work against corruption in all its forms, including extortion and bribery.

- Practical actions taken to implement Monsanto's commitment against corruption begin with a strong partnership between Internal Audit and the Business Conduct Office (the "BCO"). This coordinated effort carried out through the company's audit protocols measures business unit performance against all financial accounting obligations and corporate compliance duties by objectively assessing that performance against compliance best practices. The analysis is conducted on both quantitative and qualitative bases to assess best-in-class performance and to identify emerging gaps or issues. Company accountability requirements include written reports on performance to senior executives and business unit generated remediation plans for all comments noted in audit reports.
- Maintaining a strong culture of integrity in a dynamic corporate environment requires consistent review and oversight. In 2011, the BCO implemented updated global anti-corruption risk mitigation protocols, launched these protocols across 100 percent of all business units, and completed numerous training and communication campaigns to ensure complete coverage and employee awareness. Monsanto also engaged in a third-party review and update to the company Code of Conduct. An updated Code will be published in 30 different languages to support education of all employees as well as our vendors who are required to adhere to the spirit and intent of our Code. For more information, please visit www.monsanto.com/whoweare/Pages/business-conduct.aspx.
- Anti-corruption training is mandatory for 100 percent of employees with reasonable potential for exposure to solicitation for bribes. The BCO launches computer-based training with tracking systems that assure completion by all targeted employees. Special accommodations are in place for those employees without access to computers. Mandatory training events are supplemented with communications prepared in real time to address the most current trends in both employee requests for guidance and allegations of non-compliance.

- Each year, Monsanto provides formal recognition of employees who demonstrate integrity in exceptional ways. These employees are personally recognized by the Executive Team before the entire company via a live webcast.
- The BCO actively promotes an open-door policy to all stakeholders who may have questions about how to manage emerging business, personal, or workplace situations, or concerns about questionable actions taken by themselves or others. All inquiries and requests for guidance are documented and taken seriously. When appropriate, the BCO directs investigations of inquiries, including allegations of corruption, and considers the results of those investigations through a committee of senior leaders. These leaders evaluate the results of each investigation in a nameless/rankless review process to promote objective assessment. They then issue findings and guidance for remediation, employee discipline and assessment of the controls' environment. These matters are reported directly to the Audit & Finance and Sustainability & Corporate Responsibility committees of the board by the Director of Business Conduct. Actions requiring disclosure to a governing authority are prepared in cooperation with outside expert counsel and properly reported along with detailed commitments for remediation.
- Compliance with all national and local lobbying laws continues to increase in importance. Monsanto takes great care to ensure accurate and complete reporting of all lobbying activity. Employees who meet with elected officials receive training to understand which activities are acceptable and in strict compliance with relevant laws and how to properly record and report these activities. See page 12 for more details.

For more information on Business Conduct, see pages 31–32.

Additional information can be found on www.monsanto.com under "Who We Are" and "Our Commitments."

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Commitment to Sustainable Agriculture

Since establishing our sustainable agriculture vision and defining our goals, Monsanto has shared highlights of progress toward those goals as part of our corporate social responsibility and sustainability report. While data availability remains a constraint, we are pleased to share a more thorough progress update in this report.

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OUR COMMITMENT

GRI EN18 GRI S010 UN1, 8, 9

In 2008, Monsanto established challenging targets for improving agriculture in three ways—producing more, conserving more and improving lives.



SPECIFICALLY, THE TARGETS ARE:

Producing More

Developing improved seeds and agronomic practices to help farmers double yields from year 2000 levels for corn, soybeans, cotton and spring-planted canola, and providing a US\$10 million grant pledged to improve wheat and rice yields through Monsanto's Beachell-Borlaug International Scholars Program. See page 78 for more details.

Conserving More

Conserving resources by developing seeds and agronomic practices that use one-third fewer key resources per unit of output to grow crops while working to lessen habitat loss and improve water quality.

Improving Lives

Helping improve the lives of farmers and the people who depend on them, including an additional five million people in resource-poor farm families by 2020.

These goals are challenging and we realize the solutions to achieve these outcomes will not come from Monsanto alone. As a company focused on agricultural innovation we are pledging to do our part to support farmers as they strive to meet the needs of a growing planet.



PRODUCING MORE

GOAL	PROGRESS INDICATOR	METHOD
DOUBLE THE YIELDS OF CORN, SOYBEANS, COTTON AND SPRING-PLANTED CANOLA BETWEEN 2000 AND 2030	NATIONAL AVERAGE CROP YIELD LEVELS IN LEADING COUNTRIES	COUNTRY-BY-COUNTRY COMPARISONS, YEAR-OVER-YEAR

CONSERVING MORE

GOAL	PROGRESS INDICATOR	METHOD
REDUCE AGGREGATE USE OF KEY RESOURCES BY ONE-THIRD PER UNIT OF OUTPUT BETWEEN 2000 AND 2030	EFFICIENT USE OF LAND, WATER AND ENERGY; MINIMIZATION OF SOIL LOSS AND GREENHOUSE GAS EMISSION	REPORTING OF ECO-EFFICIENCY DATA IN THE U.S. AND OTHER LEADING COUNTRIES AS AVAILABLE

IMPROVING LIVES

GOAL	PROGRESS INDICATOR	METHOD
IMPROVE LIVES, INCLUDING AN ADDITIONAL FIVE MILLION PEOPLE IN RESOURCE-POOR FARM FAMILIES BY 2020	NET INCOME GAINS AMONG FARMERS ADOPTING IMPROVED CROPS AND SYSTEMS	GLOBAL META-ANALYSIS OF NET INCOME EFFECTS ATTRIBUTABLE TO IMPROVED CROPS AND SYSTEMS

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Producing More

Productivity matters. Increasing the productivity of staple crops is important to meet global food security needs. As farmers become more productive on existing cropland, there is less incentive to expand cropland areas at the expense of natural habitats. Farmers who are highly productive can earn greater incomes and support economic growth in rural areas.

PRODUCING MORE

UN8, 9 Monsanto established an aggressive target of doubling yields in four major crops over a 30-year period. This goal is highly relevant as global forecasted demand of corn, oilseeds and cotton over this same period will increase significantly.

Unfortunately, farmers' abilities to meet this increase in demand by boosting yields (output per unit of land) is constrained by their access to innovative management practices and seed technology.

Monsanto is tracking progress against this production goal based on the policy environment established by the major producing countries of each crop. Based on a recent expert analysis by The Context Network, countries can be objectively classified into three distinct policy groups: leading, transitional and remaining. The Context Network convened an independent expert panel who analyzed both publicly available data and proprietary Context data to develop their classification scheme. Each country is classified based on enabling agricultural productivity through innovation (agronomic practices, plant breeding, and biotechnology) and investment.

Based on these classifications, Monsanto will track and publish progress toward the goal of doubling yields for leading countries. These countries offer a policy environment that supports innovation and investments across all of the three yield growth pillars: agricultural practices, plant breeding and biotechnology. Farmers in these countries will have access to new technology and the opportunity to implement innovations at a relatively faster rate.

Through 2010, farmers in leading countries are making progress toward the goal of doubling yields. Canola and cotton farmers in these countries are effectively on track with this goal, with yields that are 33 percent and 30 percent higher than 2000 levels, respectively. Leading country corn farmers have increased yields by 20 percent since 2000. Soybean farmers in leading countries have increased yields the least among our focus crops, with an 11 percent gain in yields since 2000.

In each crop, however, farmers in leading countries are outperforming farmers in transitional and remaining countries in absolute yield enhancement. With a decade of yield monitoring history,

this data strongly supports the main point of this goal and demonstrates that supportive country-level policies for investment and innovation across the three primary yield growth pillars are highly correlated with superior results in yield performance achieved by farmers.



THE EFFECT OF POLICY ON CORN PRODUCTIVITY RATES

Monsanto is committed to doubling the yield potential of corn, soybeans, cotton, and canola crops. Measuring crop yield growth is one way to assess productivity growth in agriculture.

Based on a recent analysis by The Context Network, the yield and productivity growth of corn, soybeans, cotton and canola crops can be objectively evaluated based on the policy environment of various countries.

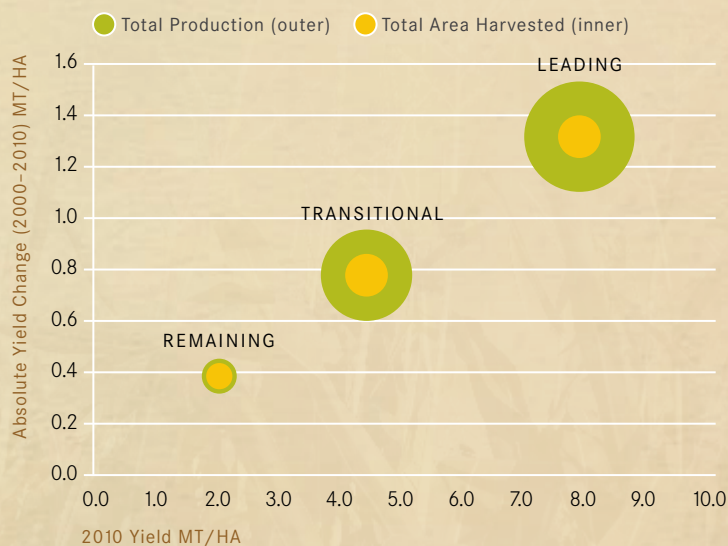
The Context Network report¹ provides expert evaluation of the policy environment supporting innovation and investment across the three primary drivers of yield growth: agronomics, breeding and biotechnology. Based on these evaluations, countries are classified into three distinct policy groups:

- **Leading countries** provide a policy environment that supports innovation and investment across all three yield growth drivers.
- **Transitional countries** provide a policy environment that is only partially supportive across the three growth drivers.
- **Remaining countries** do not provide a policy environment that supports innovation and investment across the yield growth drivers.

When evaluating the productivity levels across these country classifications, there are remarkable differences. National average yields and recent yield growth rates are the highest in countries with leading policy environments, followed by transitional and remaining policy environments.

With just one-third (55 million hectares) of the global area under cultivation, corn farmers in the leading countries produced more than one half of the world's corn production (429 million metric tons). Combined, the transitional and remaining countries occupy nearly two-thirds of the production area, but produce less than one-half of the world's corn output.

Absolute Corn Yield Change Among Leading, Transitional and Remaining Countries, 2000-2010



Corn	Absolute Yield Change 2000-2010 MT/HA	2010 Yield MT/HA	2000 Yield MT/HA	2030 Goal MT/HA	2010 Area Harvested (1000 HA)
Leading	1.3	7.8	6.5	13.0	54,945
Transitional	0.8	4.4	3.6	7.3	70,242
Remaining	0.4	2.0	1.6	3.3	18,899

¹ Report: www.contextnet.com/120420%20Global%20Crop%20Production%20Systems.pdf

The Context Network report uses different terminology for remaining countries.

Monsanto strives to increase the yield potential of corn around the world. We invest in all three drivers of productivity: agronomics, breeding and biotechnology. Yet, fully two-thirds of the world's corn production areas will not reach their yield potential until the policy environment accommodates investment and innovation across all three productivity drivers.

THE EFFECT OF POLICY ON CORN PRODUCTIVITY RATES, *cont.*

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Corn Productivity and the Drivers of Yield Growth in Leading, Transitional and Remaining Countries, 2000–2010

CORN	ABSOLUTE YIELD CHANGE MT/HA (2000–2010)	CURRENT YIELD LEVEL 2010 MT/HA	2010 PRODUCTION 1000 MT	AGRONOMIC	BREEDING	BIOTECH	TOTAL SCORE
LEADING	1.31	7.83	429,472				
Canada	2.04	9.01	10,658				
Chile	1.54	11.39	1,415				
Brazil	1.29	4.19	58,200				
South Africa	1.26	4.03	12,281				
Argentina	1.25	6.94	22,600				
United States	1.17	9.72	320,877				
Spain	0.80	10.26	3,440				
TRANSITIONAL	0.78	4.40	309,632				
Ukraine	2.39	5.32	14,968				
China	0.74	5.48	177,656				
Mexico	0.52	3.11	20,668				
India	0.48	2.32	19,667				
France	0.08	8.95	14,684				
Portugal	0.99	6.74	653				
Uruguay	1.63	4.70	440				
Romania	0.81	3.58	8,461				
Thailand	0.42	4.11	4,083				
Turkey	3.97	7.78	3,733				
Croatia	1.34	6.81	2,100				
Poland	0.00	5.96	1,726				
Paraguay	0.61	2.82	1,790				
Colombia	0.89	2.88	1,537				
Slovakia	2.10	6.49	1,102				
Czech Republic	0.81	7.36	781				
Philippines	0.84	2.63	6,881				
Russian Federation	1.41	2.97	4,573				
Vietnam	1.46	4.19	5,002				
Pakistan	1.12	2.86	3,000				

Continued next page

Representing leading characteristics, enabling agriculture productivity through innovation (agronomic practices, plant breeding, and biotechnology) and investment.

Representing transitional characteristics, this could represent:

- A country that is now beginning to show signs of an innovative stimulus, but has not reached levels that reflect leading characteristics.
- A country that has historically been a leader, whose yield growth has been capped by reluctance to adopt modern innovations.

Representing remaining countries' characteristics of not fostering innovation and investment.

Report: www.contextnet.com/120420%20Global%20Crop%20Production%20Systems.pdf

THE EFFECT OF POLICY ON CORN PRODUCTIVITY RATES, *cont.*

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Corn Productivity and the Drivers of Yield Growth in Leading, Transitional and Remaining Countries, 2000–2010, *cont.*

CORN	ABSOLUTE YIELD CHANGE MT/HA (2000–2010)	CURRENT YIELD LEVEL 2010 MT/HA	2010 PRODUCTION 1000 MT	AGRONOMIC	BREEDING	BIOTECH	TOTAL SCORE
REMAINING	0.39	2.03	38,348				■
Kenya	0.04	1.52	2,733	■	▲	▲	▲
Indonesia	0.39	2.40	7,267	■	▲	▲	▲
Egypt	-0.44	7.48	5,527	■	▲	▲	▲
Honduras	0.09	1.50	600	▲	■	▲	▲
Nigeria	0.44	1.84	8,997	▲	■	■	■
Zambia	0.68	2.18	2,563	■	▲	■	■
Peru	0.50	2.95	1,635	■	▲	■	■
Guatemala	-0.06	1.66	1,167	▲	■	■	■
Serbia	1.35	5.28	6,489	▲	■	■	■
Ethiopia	0.58	2.18	4,367	■	■	■	■
Tanzania	-0.12	1.10	3,409	■	■	■	■
Mozambique	0.55	1.47	2,057	■	■	■	■
Venezuela	1.35	4.02	1,715	■	■	■	■
Uganda	0.84	2.08	1,767	■	■	■	■
Nepal	0.26	2.00	1,700	■	■	■	■
Burma	1.53	3.36	1,250	■	■	■	■
Congo	0.05	0.92	1,233	■	■	■	■

● Representing leading characteristics, enabling agriculture productivity through innovation (agronomic practices, plant breeding, and biotechnology) and investment.

▲ Representing transitional characteristics, this could represent:

- A country that is now beginning to show signs of an innovative stimulus, but has not reached levels that reflect leading characteristics.
- A country that has historically been a leader, whose yield growth has been capped by reluctance to adopt modern innovations.

■ Representing remaining countries' characteristics of not fostering innovation and investment.

Report: www.contextnet.com/120420%20Global%20Crop%20Production%20Systems.pdf

CASE STUDY: PROJECT SHARE

GRI EC8 **GRI S01** **UN8, 9** Indian farmer Jamuna Lal doubled yield and saved 30 percent on seed costs.

Like many farmers in his village, Lal mixed corn seed with fertilizer and spread it over his field. He also used a traditional planting method of a bullock-drawn plough based system. Using this method results in the random spacing of seeds and direct contact with fertilizer—both factors which decrease yield.

After seeing farmers experiment with mechanization, Lal decided to join a project that introduced him to a new sowing and fertilizing drill that would revolutionize his farming practice.

The seed and fertilizer drill was developed as part of **Project SHARE (Sustainable Harvest: Agriculture, Resources and Environment)**, a partnership between Monsanto India and the **Indian Society of Agribusiness Professionals (ISAP)**, to empower cotton and corn small and marginal land holders across three states and 1,100 villages.

Project SHARE also has a farm advisory and extension service that works to communicate the importance of modern cultivation practices to farmers in Rajasthan's Bhilwara and Bundi districts. The project's goal is to enable farmers to augment yields and thereby incomes.

After one growing season, Lal doubled his yield and saved 30 percent on seed costs. He and other Indian farmers enjoyed higher yields because of one change in their farming techniques: mechanization.

Monsanto India and ISAP realized improper sowing, which results in poor plant geometry in the field and affects optimum plant population, was preventing farmers from receiving the maximum benefit of Monsanto's seed.

To address the issue, Monsanto India, ISAP and Project SHARE's participating farmers contributed to the cost of developing the seed and fertilizer drill, demonstrating the farmers' willingness to not only learn but also adopt modern practices that they now believe can help them achieve higher yields.

A seed and fertilizer drill is a device that controls seed and fertilizer quantities to conform to ideal spacing

recommendations. The drill contains a double-box seed drill with sub sections divided for seed and fertilizer. This makes it possible to adjust seed and fertilizer rates individually. It can also be used for other crops.

The development and adoption of the seed drill has enabled farmers to produce more and conserve more. Farmers have seen yield increases anywhere from two to six tons per hectare in one growing season. They've also seen better seeding rates, meaning more seeds per hectare, which saves on inputs like fertilizer.

The team anticipates expanding the geography covered by the drill. To encourage farmer interest, the drill is showcased at many farmer events, including buyer-seller meetings, demonstration plots, farm shows and government events.

Project SHARE envisages developing farmers as the agents of sustainable change for farming—to become a lucrative enterprise for generations to come. This change is already manifesting itself in farming practices and the lives of farmers.



CASE STUDY: DEVELOPING STOVER AS A NUTRITIOUS U.S. CATTLE FEED

GRI EN6, 26

GRI S010

UN8, 9

Producing two crops on each corn acre.

Corn stover is the stalks, leaves and cobs left after the corn kernels are harvested in field corn. Traditionally, stover has been left in the field to reduce soil erosion and help increase soil organic matter. However, higher planting densities and increased yields have produced stover in amounts that exceed levels needed to maintain soil health in the most productive parts of the U.S. Corn Belt. Farmers have responded to this problem by increasing tillage to speed stover decay and reduce crop residue in their seedbeds.

Recently, scientists from Monsanto and Archer Daniels Midland (ADM), worked with the University of Nebraska, Lincoln (UNL) and Iowa State University (ISU), government researchers and equipment manufacturers to take a new look at stover and identify how it can play an important new role in animal feeds.

Using a pre-treatment, a method similar to the one that is used to make tortillas, enables the sugars in stover to be better digested by beef cattle and dairy cows. This allows stover to displace whole corn in livestock feeding programs.

Using corn stover instead of more expensive grain improves the income potential for both the grain and livestock farmer. The cattlemen have a new alternative as they develop their feeding program—and the grain farmer has two crops produced on each corn acre.

Society also benefits. The U.S. government estimates that about 100 million dry tons of stover can be sustainably harvested each year. About 10 to 20 percent of this is enough to provide feed equal to one to two billion bushels of corn for U.S. beef and dairy herds. This is equivalent to a 10 percent increase in the U.S. corn supply and could also free up 20 million acres (8 million hectares) of hay ground for other uses.

By developing new uses for stover, the environment is protected, and the strain on each corn harvest is lessened because the corn that was once destined to be animal feed can now be used for other purposes.



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Conserving More

Among its many important facets, sustainable agriculture involves increasing productivity, reducing environmental impacts, conserving resources and improving the lives of growers around the world. Over the past several years, Monsanto has been an increasingly active participant in broad-based, multi-stakeholder efforts aimed at resource conservation, promotion of biodiversity, improvement of water and soil quality, and management of the environmental impacts of agriculture.

CONSERVING MORE

GRI S010

UN8

While making the necessary progress in yield growth is essential to provide nourishment for a growing planet, Monsanto recognizes the need to achieve these gains while using fewer key resources in the process.

CONSIDER THESE FACTS

- Agricultural production occupies more than half of the habitable landscapes globally. According to a recent study,¹ even with crop yields growing at one percent annually, cropland area is set to expand by 175–220 million hectares to keep pace with food demand. This expansion is equivalent to an area the size of London, England, transformed to new cropland each week between today and 2030.
- Irrigation to support crop production accounts for 70 percent of global freshwater withdrawals annually. The total demand for water globally is projected to increase by 41 percent through 2030. This is equivalent to filling 100,000 Olympic-sized swimming pools every day between now and 2030.
- Agricultural production involves several energy intensive steps—producing nitrogen fertilizer, pumping irrigation water, as well as planting, tilling and harvesting operations. Primary global energy demand is set to increase by 33 percent by 2030. This expansion in energy demand is equivalent to plugging in three billion, 100-watt light bulbs each day between now and 2030.

Farmers will be asked to boost yields to keep up with the growing demand for food. Yet, they will also face growing competition for natural resources and their sustainability and profitability are both linked to how efficient they are in converting land, soil and nutrients to crop outputs.

Monsanto is proud to be a founding member of Field to Market: The Keystone Alliance for Sustainable Agriculture. Field to Market has risen to the challenge of comprehensively measuring the resource intensity of major row crops in the United States. Key performance indicators measured by Field to Market include land use, climate impact, energy use, irrigated water use and soil loss.

Employing a three year rolling average of Field to Market data and analytical methods for 2010, farmers in the U.S. are tracking ahead of pace to achieve the goal of one-third less key resources per unit of crop output. U.S. cotton farmers have reduced average resource intensity by 23 percent. Soybean and corn farmers are 19 percent and 14 percent more resource efficient versus the year 2000 baseline observations.

Monsanto is supporting efforts to document similar data and analytical methods in additional countries. Over the past year, multi-stakeholder efforts in Canada and Spain have issued reports that largely align to the Field to Market effort in the United States. Moreover, Monsanto is consistently voicing its support for more robust efforts to collect data on a global basis that would allow for more consistent monitoring of resource-use intensity levels in agricultural production systems.

¹ Resource Revolution, November 2011, "Meeting the world's energy, materials, food, and water needs," McKinsey & Company Report: www.mckinsey.com/Features/Resource_revolution

THE EXPANSION IN CROPLAND DEMAND
IS THE EQUIVALENT TO TRANSFORMING

1 LONDON

SIZED AREA TO NEW CROPLAND
EACH WEEK BETWEEN NOW AND 2030

THE EXPANSION IN ENERGY DEMAND
IS THE EQUIVALENT TO PLUGGING IN

3 BILLION

100-WATT LIGHT BULBS
EACH DAY BETWEEN NOW AND 2030

THE EXPANSION IN WATER DEMAND
IS THE EQUIVALENT TO FILLING

100 THOUSAND

OLYMPIC-SIZED POOLS
EACH DAY BETWEEN NOW AND 2030

PARTNERING TO ACHIEVE CONSERVATION AND ENVIRONMENTAL GAINS

GRI EN13-14 **UN8** Along with Monsanto's work to advance the efforts of various environmental and conservation partners involved in projects related to agriculture, it has collaborated with willing and enthusiastic partners including growers and farm families in all parts of the world. Here are two examples of current initiatives aimed at improving the environment and promoting biodiversity.

Monsanto Mississippi River Watershed Project

In an effort to address the volume of nutrient and sediment flowing into the Mississippi River System and the Gulf of Mexico from adjacent farmlands, Monsanto partnered with The Nature Conservancy, the Iowa Soybean Association, Delta Wildlife and National Audubon Society in a three-year pilot project.

The project brought new tools and disciplines to help farmers along the Mississippi River efficiently produce higher-yielding crops for food, fiber and fuel in ways that further preserve water quality and support diverse and abundant wildlife populations.

The Nature Conservancy conducted a conservation project in four watersheds in the Upper Mississippi River basin. Monsanto worked with local partners—including farmers in those watersheds—to implement and study conservation techniques that best lower nutrient and sediment concentrations by reducing runoff from agricultural landscapes.

Meanwhile, the Iowa Soybean Association researched and paired micro-watersheds in the Boone and Raccoon Rivers. The association coordinated conservation outreach in those watersheds, including monitoring, measurement and evaluation of on-farm resources and environmental outcomes.

Delta Wildlife installed Best Management Practices (BMPs) on approximately 1,000 sites on working farms in part of the Lower Mississippi Valley, affecting 51,572 acres (20,870 hectares). Designed to reduce off-site movement of nutrients and sediments, the BMPs stop an estimated 9,203 tons of sediment per year, 10,080 pounds of Phosphorus per year, and 20,160 pounds of Nitrogen per year. These practices provide additional environmental benefits, including improved fish and wildlife habitat and water conservation.

Audubon's work focused on raising awareness of how people can be good stewards of nature in their own backyards, promoting individual actions to enhance water quality and habitat for birds and other wildlife.

In support of the projects of all of the partners, Monsanto committed more than US\$5 million. It also worked with all four partners to share data generated from the projects with its farmer customers and to encourage on-farm adoption of management practices that contribute to water quality.

Data collected from all projects has been reported annually and is expected to generate novel approaches which can be implemented broadly across rural landscapes. The findings from all projects have been shared with farmers to help them adapt and refine practices that preserve water quality and improve wildlife habitat.

Conservation International in Brazil



The dramatic expansion of Brazil's agricultural sector is an undeniable story of successful productivity growth, but it also has created significant opportunities for effective conservation and forest preservation. Under the watchful eye of the Brazilian government, the country's farmers are legally obligated to set aside portions of their property for conservation.

PARTNERING TO ACHIEVE CONSERVATION AND ENVIRONMENTAL GAINS, *cont.*

To help farmers meet conservation requirements in two biodiversity corridors—one in the Atlantic Forest (Northeast Corridor) and the other in Cerrado (Jalapão/Western Bahia Corridor)—Monsanto has partnered with Conservation International (CI). Through this collaboration, we believe we will encourage positive changes for biodiversity and natural habitats.

Founded in 1987, CI empowers groups to responsibly and sustainably care for the environment, our global biodiversity and the long term well-being of people. Headquartered in the Washington, DC, area, the organization has 900 employees working in nearly 30 countries on four continents, plus more than 1,000 partners around the world.

In Brazil, the combined efforts of CI and Monsanto support the implementation of best practices along Monsanto's supply chain. The work also involves the implementation of concrete conservation actions in the two biodiversity corridors.

Specifically, their **objectives** are:

1. Preventing illegal deforestation
2. Preventing the local extinction of species
3. Ensuring compliance with legislation in the agriculture and livestock supply chain

The initiative focuses on two regions of Brazil identified by CI as biodiversity hot spots; they are among 34 areas considered the biologically richest and most threatened in the world, having lost at least 75 percent of their original vegetation. Thus, they are priority areas for conservation actions. The areas also coincide with regions where Monsanto operates and where agribusiness has a significant impact on the environment.

CI is advising Monsanto on ways it can improve its environmental practices in relation to protecting the region. In turn, Monsanto is adopting the conservation of biodiversity in the Cerrado and the Atlantic Forest as one of the key elements of its business strategies in the region. As part of the partnership, both institutions are carrying out activities that will produce concrete and measurable results to guarantee the conservation of biodiversity in areas selected as critical by both partners.

UN8 Solutions to Our Greatest Challenges

BY MICHAEL REUTER, DIRECTOR OF THE NATURE CONSERVANCY

How do we feed a population projected to rise from seven billion to more than nine billion people by 2050 without damaging the natural systems that underpin our economy and livelihoods? Finding solutions to this challenge was at the root of a three-year initiative launched by Monsanto and The Nature Conservancy (TNC) in 2009.

The initiative brought together agricultural partners to target the nutrients and sediments that affect water quality in the Mississippi River and Gulf of Mexico. Four rivers and their watersheds were chosen to test practices on working farms that keep valuable soil and nutrients on fields and out of streams.

At Minnesota's Root River watershed, short-term results show reductions can amount to as much as 53,520 pounds of nitrates entering the watershed each year. In the Boone River watershed in Iowa, where the Iowa Soybean Association is an active partner, we can approximate nitrate load reduction of 75,915 pounds per year.

But how do results like these help solve the challenge outlined in my initial question? To feed a growing and more affluent population, we will have to increase food, fiber and energy production. Simply clearing more land isn't a sustainable option; already more than 40 percent of the Earth's land has been cleared for agriculture, and the majority of the world's finite amount of fresh water is already allocated to this purpose as well.

So to succeed in meeting global demand for agricultural commodities—to double our production and feed a population of nine billion—we'll have to intensify agriculture on existing lands in a sustainable manner.

The promising results we're seeing from Monsanto's investment in these four watersheds suggest we can meet this challenge, but only if we see production and conservation as two aspects of one goal. We are fully capable of designing farming systems that produce higher yields of agricultural commodities and clean water at the same time. So in that vein this initiative has not only been about farming practices in places like Iowa and Minnesota; it has the potential to transform agricultural practices around the world.

We at TNC are proud to be part of such an effort and are grateful for Monsanto's willingness to provide regional and global leadership on these issues—to invest in science-based solutions to our greatest challenges.

The Nature Conservancy's Great Rivers Partnership brings together diverse partners and builds experience and scientific knowledge through successful conservation projects along some of the world's most important rivers.

HABITATS PROTECTED OR RESTORED

GRI EN11-14

UN7, 8

Monsanto strives to be a leader in respecting the land and conserving our planet's natural resources for many years. Our efforts to maintain sustainable, bio-diverse ecosystems at various company sites continue to improve around the globe.

Monsanto's Sensitive Habitat Preservation Program

Monsanto has been recognized by the Wildlife Habitat Council (WHC) for its exceptional commitment to protecting the environment. The WHC is an independent, nonprofit organization made up of businesses, conservation organizations and individuals dedicated to protecting and enhancing wildlife habitat around the world. The WHC has recognized the efforts of fifteen Monsanto-operated global sites by awarding them with its Wildlife at Work and Corporate Lands for Learning (CLL) (for six of the fifteen sites) certifications.



WILDLIFE AT WORK

This program is focused on voluntary efforts which exceed regulatory requirements. Emphasis is put on community involvement in habitat projects by collaborating with local schools and organizations. As of 2011, Monsanto's site in Muscatine, Iowa, and Monsanto's foundation seed site in Cachoeira Dourada, Brazil, are most widely recognized for their exceptional efforts in habitat preservation. Here are some of the reasons why:

- **Big Sand Mound Nature Preserve; Muscatine, Iowa**

This nature preserve consists of 510 acres of unique sand prairie ecosystem that is home to several rare and threatened species located along the Mississippi River near Muscatine, Iowa. An ecological advisory committee oversees the long-

term management of the preserve. The main goals are to conserve and enhance existing ecological communities, manage endangered species, protect archaeological features and accommodate research.

The Muscatine advisory committee also focuses on research, education and providing controlled access to the public. In November 2004, the U.S. Environmental Protection Agency (EPA) and the Wildlife Habitat Council recognized the Muscatine plant with a joint special commendation for outstanding achievements in environmental management and wildlife habitat restoration. In 2008, the preserve was named a Signature of Sustainability Site by the Wildlife Habitat Council for demonstrating the potential of voluntary private sector involvement for biodiversity conservation.

- **Foundation Seed; Cachoeira Dourada, Minas Gerais**

(MG), Brazil Situated along the Rio Paraíba, this 1,255 acre (507.8 hectares) foundation seed site contains approximately 439 acres (177.6 hectares) dedicated to habitat preservation. Monkeys, anteaters, and agoutis are just a few of the wildlife species that benefit from the site's forested habitat. Since 2007, the wildlife team has worked with volunteers to plant over 14,000 trees on-site. An additional 1,100 trees, with conservation-themed brochures attached, have been distributed to the public along local highways as part of Arbor Day events.

The wildlife team places great emphasis on raising environmental awareness among employees, as well as members of the nearby communities of Cachoeira Dourada and Capinópolis. The annual PróVerde program includes wildlife and conservation lectures, drawing competitions, release of hatchery fingerlings, and extensive river clean-up.

For Arbor Day 2009, Monsanto employees handed 250 native seedlings to community members. For Environment Week in

HABITATS PROTECTED OR RESTORED, *cont.*

June each year, employees hand out 150 to 300 seedlings to community members and participate in a trash clean-up event along the roads. Employees also participate in the cleaning of the Paranaíba River Banks and an annual fish release. In 2011, the total number of fish released into the Paranaíba River was 10,000.

Other habitat enhancement projects include a pollinator garden, where hummingbirds were observed within the first year. Three rock piles and one brush pile were created in a non-vegetated area to supply cover for reptiles, amphibians and small animals. In the future, the wildlife team would like to add more diversity to the native fish species raised in the hatchery.

Monsanto's effort in improving life of local communities is evident in the work of the Education Advisory Committee (EAC) in Cachoeira Dourada. The EAC works closely with local schools to enhance the environmental and conservation knowledge of the students in their community. The Committee also involves adults in many of the annual clean-up events to support a healthy environment. For example, in 2009, 52 elementary students from Colégio Sérgio de Freitas Pacheco visited the site. They were taught about reforestation, native species, and wildlife management. About 250 students from Escola Municipal Branca de Neve Elementary School and over 340 students from Escola Municipal Higino Guerra planted 20 trees at each of their schools, with help from the EAC and Monsanto. Students also learned about watering trees, and choosing the correct location for a seedling. Other topics included general environmental awareness and recycling.

**CORPORATE LANDS FOR LEARNING (CLL)**

This program fosters a clear understanding of the interdependence of ecology, economics, and social structures in both urban and rural areas. CLL certification provides corporate sites with third-party recognition for their educational efforts. As of 2011, Monsanto has six sites awarded with a (CLL) certificate. Below is an example of the impressive work in habitat preservation work done by two of those locations:

- **Camaçari Plant in Camaçari, Brazil** The Camaçari Plant is located in the Atlantic Forest region, which runs from northern Argentina, through Paraguay and eastern Uruguay, up the Atlantic Coast of South America to northeastern Brazil. The Atlantic Forest is widely considered one of the most threatened biosystems on the planet and one of the highest priorities for conservation due to intense pressures of habitat loss and degradation combined with extraordinary native biodiversity. Less than 10 percent of the forest still exists today.

The Camaçari Plant team designed a project called Projeto Florescer, to restore a parcel of forest that will connect two larger Atlantic Forest fragments. The mascot species of this effort is the Camaçari tree—once common in the region, but extremely rare nowadays due to extensive exploitation—the namesake of the site's city.

In order to link Projeto Florescer to a broader regional restoration initiative, the team formalized a partnership with Instituto Corredor Ecológico Costa dos Coqueiros (Coconut Coast Ecological Corridor Institute), a nonprofit organization dedicated to promoting reforestation north of Bahia state. Through this partnership, Projeto Florescer will ultimately be a continuous protected corridor restored by a number of landowners in the area.

- **Fábrica São José dos Campos in São José dos Campos, Brazil** This site is also located in the Atlantic Forest region. Employees at the plant work to restore fragments of the rainforest both on-site and elsewhere in the city of São José dos Campos.

On the site, employees worked with local native plant experts to recreate an Atlantic Forest fragment in an area that was completely devoid of native vegetation. The reforestation

HABITATS PROTECTED OR RESTORED, *cont.*

effort included planting 12,500 native trees and monitoring the development of the native plant community. Species inventories indicate that a variety of native birds and other wildlife use the restored habitat.

Teaching others how to make a difference helps maintain Monsanto's long-term commitment to wildlife management and habitat preservation. In our efforts to inspire people and communities through example, Monsanto employees engage in a wide array of volunteer efforts within their local communities, and establish strategic partnerships for wildlife habitat preservation and restoration. One example includes Monsanto's involvement in work to increase the moose population in the Rocky Mountains.

Increasing the Population of Moose in the Rocky Mountains

Wild rose, sandbar willow and red osier dogwood are rich and nutritious food sources for the Shiras moose, which lives in the Rocky Mountains. Every year, Monsanto employees and family members volunteer their time to re-establish stands of these trees and shrubs in places where land and snow slides, flooding, fire or other developments have destroyed pre-existing stands.

After joining one of these events, Mike Mathews, president of the North American Moose Foundation, observed that while moose populations and habitat around the world have diminished, the Rocky Mountain area of Southeastern Idaho has seen its moose population increase each year. According to Mathews, "Monsanto's state of the art practices and world-class reclamation have helped to make moose conservation and phosphorus production compatible uses of the land."



Awards & Special Recognition

In addition to WHC certifications, several Monsanto locations have been awarded and recognized throughout the years for their exceptional efforts in wildlife habitat preservation:

- Two of our reclaimed mines in Soda Springs, Idaho, are certified wildlife sites, with the first receiving certification in 1993.
- In 2004, Monsanto was awarded EPA's Performance Track WHC Special Commendation for its Big Sand Mound Nature Preserve located in Muscatine, Iowa.
- As of 2006, three Monsanto plants have received special recognition for their wildlife habitat enhancement efforts:
 - Luling plant
 - Muscatine plant
 - Soda Springs plant
- In 2009, Monsanto was awarded North American Pollinator Protection Campaign (NAPPC) WHC Pollinator Award for its World Headquarters in Creve Coeur, Missouri.
- In 2011, our World Headquarters in Creve Coeur, Missouri, was nominated for the "Prairies for Tomorrow Award" by the WHC.

HABITATS PROTECTED OR RESTORED, *cont.*

Monsanto-Operated WHC Certified Sites

PROGRAM NAME	PROGRAM STATUS	CITY	STATE/ PROVINCE	COUNTRY
Ashton Soybean Production	<i>Wildlife at Work</i> certified	Ashton	IL	USA
Big Sand Mound Nature Preserve	<i>Wildlife at Work</i> certified	Muscatine	IA	USA
Camaçari Plant	<i>Wildlife at Work & Corporate Lands for Learning</i> certified	Camaçari	BA	Brazil
Constantine Production Plant	<i>Wildlife at Work</i> certified	Constantine	MI	USA
Creve Coeur World Headquarters	<i>Wildlife at Work & Corporate Lands for Learning</i> certified	Creve Coeur	MO	USA
Fábrica São José dos Campos	<i>Wildlife at Work & Corporate Lands for Learning</i> certified	São José dos Campos	SP	Brazil
Farm and Wildlife Management Center	<i>Wildlife at Work</i> certified	Stuttgart	AR	USA
Foundation Seed—Cachoeira Dourada/MG	<i>Wildlife at Work & Corporate Lands for Learning</i> certified	Cachoeira Dourada	MG	Brazil
Grinnell, Iowa	<i>Wildlife at Work</i> certified	Grinnell	IA	USA
Illiopolis Seed Production	<i>Wildlife at Work</i> certified	Illiopolis	IL	USA
Luling Plant	<i>Wildlife at Work & Corporate Lands for Learning</i> certified	Luling	LA	USA
Monsanto Company Chesterfield	<i>Wildlife at Work</i> certified	Chesterfield	MO	USA
Muscatine Plant	<i>Wildlife at Work & Corporate Lands for Learning</i> certified	Muscatine	IA	USA
Soda Springs	<i>Wildlife at Work</i> certified	Soda Springs	ID	USA
Storm Lake, Iowa Production Site	<i>Wildlife at Work</i> certified	Storm Lake	IA	USA



IRRIGATION IMPROVEMENTS

GRI EN26 **UN7, 8** According to the United Nations, around 700 million people in 43 countries currently suffer from water scarcity. By 2025, 1.8 billion will be living in countries or regions with absolute water scarcity, and two-thirds of the world's population could be living under water stressed conditions. Monsanto believes that increasing the amount of bushels produced per gallon is a crucial role of agricultural innovation.

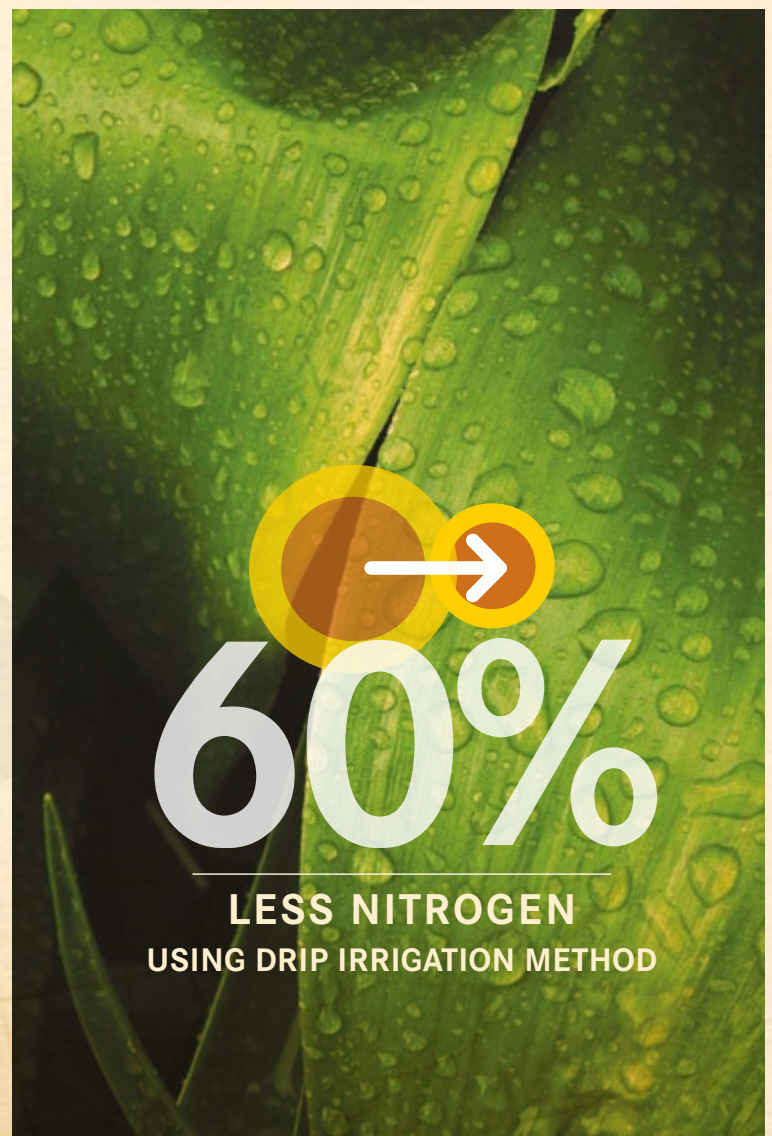
Conservation Practices in Hawaii

Monsanto has technology and manufacturing operations on three islands in the state of Hawaii. Monsanto's seed passes through Hawaii multiple times in its breeding, biotechnology trait development, trait integration, pre-foundation and foundation seed production units during development to take advantage of the favorable climate to grow multiple generations of corn and soybeans each year.

At all locations, environmental stewardship is a key component of Monsanto's freedom to operate. Water and land are limited and precious commodities in Hawaii, and the Monsanto Hawaii team has taken the lead to preserve them.

On all islands and in all operations, crops are produced using drip irrigation. Not only does this irrigation method preserve water by delivering it directly into the plant root zone, it reduces the amount of fertilizer needed to produce the crop, because fertilizer is delivered directly to the root zone in small increments, as opposed to one, larger application made at the beginning of the growing season. As a result, the nutrients can be utilized more completely by the crop. Corn, for example, can be produced using up to 60% less nitrogen with this method.

The Biotechnology Trait Conversion Center on Maui utilizes R1 water from the municipal waste system to produce corn seed. R1 water is defined by the County of Maui as "tertiary treated recycled water that can be used without restrictions." Through collaboration with the County of Maui, Monsanto purchases and uses more than 185,000 gallons of R1 water



IRRIGATION IMPROVEMENTS, *cont.*

per day. This collaboration benefits both Monsanto, by having a dedicated, secure water source, and the community from not having to further process the water prior to environmental release.

Monsanto recently purchased a 2,289 acre (926 hectare) farm on the island of Oahu in Kunia. The farm is a multifunctional site hosting all aspects of Monsanto's pipeline year 'round. The farm's watershed drains directly into Pearl Harbor, and the erosion of the red volcanic soil present in the area is a very visible event. Therefore, Monsanto devoted three years to developing and installing a conservation plan that includes water terraces, catchments and greenways to divert water and capture sediment before it leaves the farm. What makes this project unique is that in April 2011, Monsanto Kunia

received a competitive grant in the amount of US\$84,000 from the Oahu Resource Conservation and Development Council. The grant was jointly funded by the U.S. EPA and the Hawaii State Department of Health, and was used to help fund a small part of the US\$500,000 cost of the project. The Kunia farm conservation plan became the centerpiece of the Honouliuli Watershed Restoration project and is a great recognition of Monsanto's dedication to stewardship.

Monsanto held a "field day" during the summer of 2011, which was open to all growers in Oahu. During the day, growers were able to observe demonstrations in berming, terracing, catch basin construction, cover cropping and grass waterway development to further their own stewardship techniques and knowledge.

Fontanelle's Aqua View® Initiative

"Aqua View was the best piece of equipment on my farm last year... Being involved in this project has opened my eyes so much to water usage in the field and moisture management in the soil. It is the best return on investment of anything I have used on my farm," said a grower and Aqua View participant from Nebraska.

The Fontanelle's Aqua View initiative, introduced four years ago, is a systems approach comprised of water management tools, quality seed genetics, educational programs and support services designed to help growers in irrigated areas maximize the value of their seeds and traits. Fontanelle Hybrids, a Monsanto regional seed brand, has a large customer base in Nebraska, Colorado, Kansas, Oklahoma and Texas, where 50 percent of the area already has water pumping restrictions from local resource districts or limited rainfall. With the installation of moisture probes, growers respond to water needs on a customized basis and only water when needed, saving costs associated with unnecessary watering. Based on 2010 results from 475 Aqua View system locations, the average Fontanelle grower saved three rounds of watering per field. Extrapolating those numbers to the 795 Aqua View systems in place in 2011, growers saved 8,419,097,700 gallons of water.

8,419,097,700

GALLONS OF WATER

SAVED

ENERGY EFFICIENCY & RENEWABLES

GRI EN5-6 **GRI PR1** **UN7, 8** Energy, especially in the form of fuel, is an essential input for all farmers, and it has become an issue for everyone involved in agriculture, as volatile fluctuations in oil prices continue and global concerns over fossil fuel emissions intensify.

New crop technologies and farming systems by Monsanto and others have helped growers achieve dramatic increases in the energy efficiency of farming and in the production of renewable fuels from U.S. crops such as corn and soybeans.

The higher energy efficiencies enabled by Monsanto products and systems have come from advances in three areas: breeding, biotechnology, and agronomics/chemistry.

These higher efficiencies have meant higher yields on a generally constant cropland area, which has resulted in dramatic increases in the total U.S. supply of both corn and soybeans, allowing for more renewable fuel production from these two grain feedstocks.

Among the novel cropping systems introduced by Monsanto, the greatest improvements in farmer energy efficiencies have likely come from Roundup Ready cropping systems.

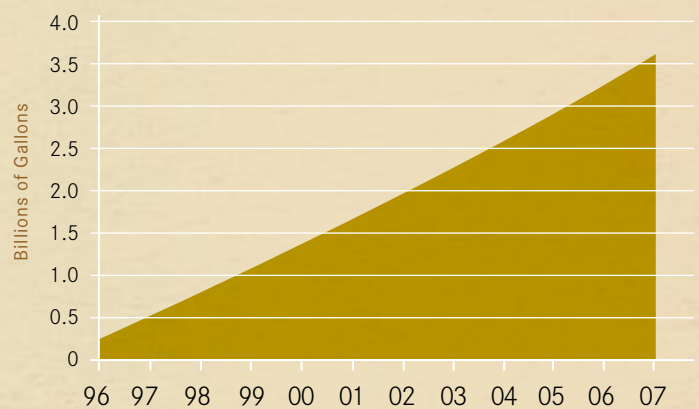
The introduction of Roundup Ready crops has enabled much greater adoption of conservation tillage, which has eliminated one or more tillage operations each season—resulting in both large fuel savings (*see chart on right*) and other environmental benefits—like improved soil and water quality.

Increasing U.S. crop yields, especially those in corn, have helped farmers participate directly in the development of a significant U.S.-based renewable fuel industry, which has dramatically reduced oil imports and avoided vast amounts of cumulative fossil fuel emissions (*see chart on right*).

As the world enters a more uncertain future over global energy supplies and prices, it will become increasingly important for farmers everywhere to have full access to new products and cropping systems—which now have a proven track record for improving energy efficiency and enabling greater production of renewable fuels.

Cumulative Fuel Savings

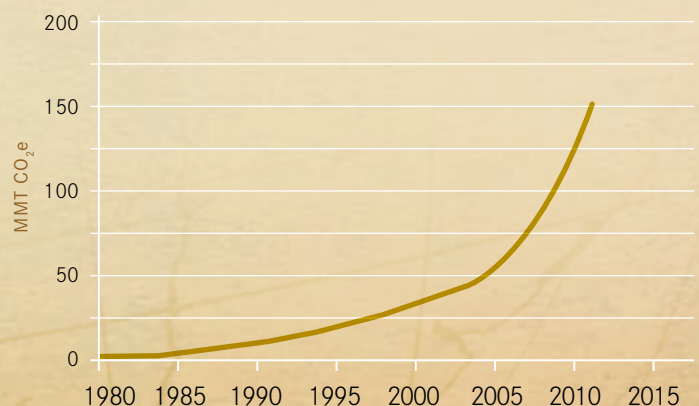
From Use of Conservation Tillage in the U.S. 1996–2007



Sources: Conservation Technology Information Center (CTIC) and Field to Market

Greenhouse Gas (GHG) Emissions Avoided

Via U.S. Corn Ethanol Production 1980–2011



Sources: The Renewable Fuels Association (RFA) and the Greenhouse Gases, Regulated Emissions, and Energy Use in Transportation (GREET) model

ENVIRONMENTAL PERFORMANCE

GRI EN3, 6, 8, 16

UN7, 8

We strive to continuously improve in all aspects of our business including our operational performance and environmental reporting. Because of this commitment and the growth in our seeds & traits business, we have expanded our environmental reporting this year to include some data from our seeds operations (*see charts below*). We will continue to provide the same eco-efficiency metrics for our crop protection business as we've done in past years (*see graphs on the following pages*).

We measure the environmental footprint of our operations through recognized reporting procedures. The eco-efficiency reporting method used was developed in cooperation with the World Business Council for Sustainable Development. This system permits comparisons of new data to the baseline data from calendar year 2000 (for crop protection only). Product data (for example, energy use and material consumption) are

recorded both by total amounts and by environmental influence per unit of output. Ozone-depleting substances are not graphed, because the total is too small to be statistically significant.

Note that for our Seeds & Traits business, data was not gathered from all locations. It was gathered from a number of representative sites, and then extrapolated for a global estimated total using appropriate scalars for similar operations (global throughputs, research acres, etc.). We are working to report additional data in the coming years.

GRI EN3 2011 Direct Energy Consumption (GJ)

DIRECT SOURCES	CROP PROTECTION	SEEDS & TRAITS
Natural Gas	4,256,481	3,034,737
Propane	*	371,347
Oil (<i>including Diesel</i>)	65,992	96,874
Coal	1,377,151	0
Waste Fuel	3,790,255	0
Renewable Energy (<i>biomass: seeds/cobs/briquettes</i>)	118,274	1,174,171
INDIRECT SOURCES		
Electricity	6,654,629	2,044,252
Imported Steam	121,303	0
SUBTOTALS	16,384,085	6,721,381
TOTAL ENERGY CONSUMPTION	23,105,465	

* Included in natural gas number

GRI EN16 2011 Direct & Indirect GHG Emissions (mt)

SOURCE	CROP PROTECTION	SEEDS & TRAITS
Direct GHG Emissions (CO ₂ -eq)	1,195,928	287,362
Indirect GHG Emissions (CO ₂ -eq)	827,066	316,965
SUBTOTALS	2,022,993	604,327
TOTAL GHG EMISSIONS (CO₂-EQ)	2,627,320	

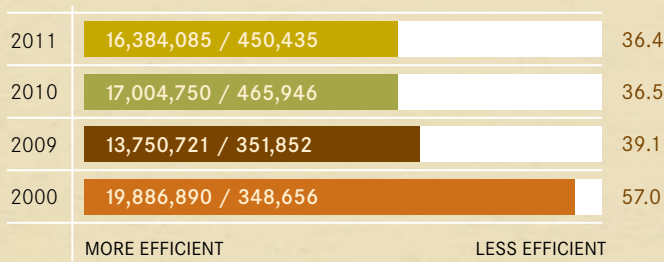
UNITS AND SUBSTANCES KEY

GJ	= gigajoules	O ₂	= oxygen
m ³	= cubic meters	PO ₄	= phosphate
mt	= metric tons	SO ₂	= sulfur dioxide
CO ₂	= carbon dioxide		

ENVIRONMENTAL PERFORMANCE, *cont.*

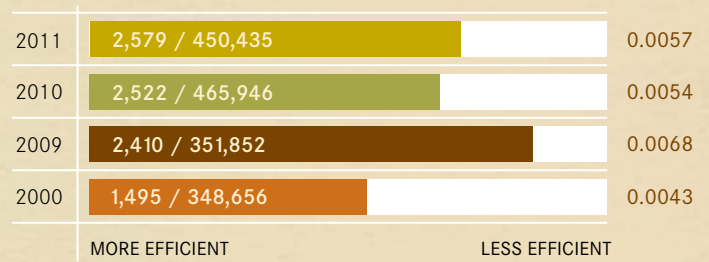
GRI EN3 Energy Consumption

Energy (GJ) / Product Output (mt)



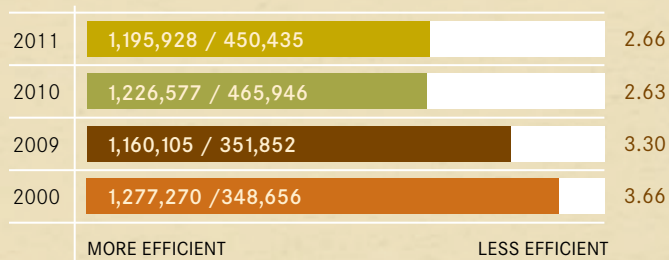
GRI EN21 Chemical Oxygen Demand (COD)

O₂-eq (mt) / Product Output (mt) | COD to Surface Water



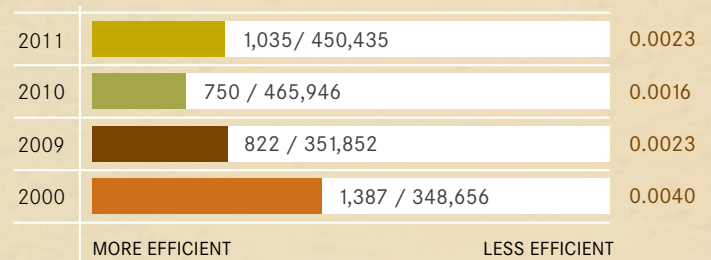
GRI EN16 Direct Greenhouse Gas Emissions

CO₂-eq (mt) / Product Output (mt)



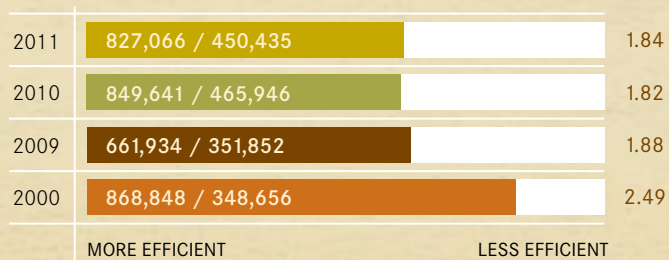
GRI EN21 Eutrophication

PO₄-eq (mt) / Product Output (mt) | Phosphates to Surface Water



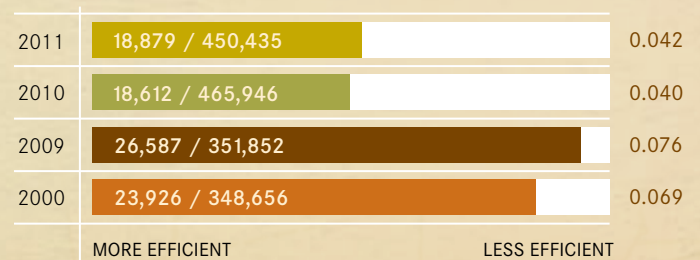
GRI EN16 Indirect Greenhouse Gas Emissions

CO₂-eq (mt) / Product Output (mt)



GRI EN22 Waste Shipped Offsite

Waste (mt) / Product Output (mt)



UNITS AND SUBSTANCES KEY

GJ = gigajoules

mt = metric tons

O₂ = oxygen

SO₂ = sulfur dioxide

m³ = cubic meters

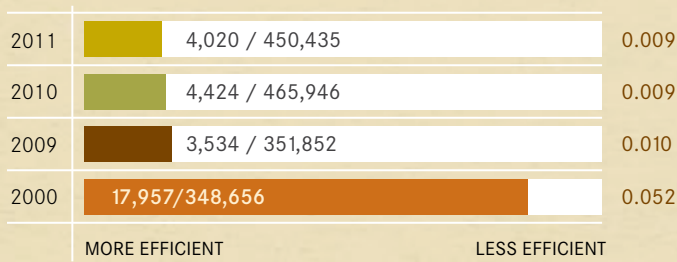
CO₂ = carbon dioxide

PO₄ = phosphate

ENVIRONMENTAL PERFORMANCE, *cont.*

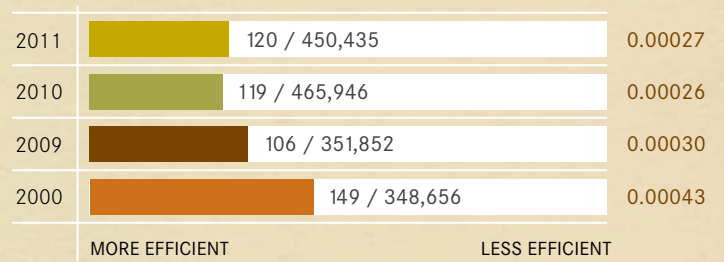
GRI EN20 Acidification Emissions

SO₂-eq (mt) / Product Output (mt)



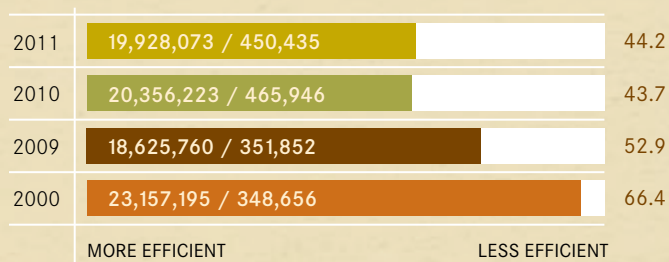
GRI EN20 Photochemical Oxidant Creation

Volatile Organic Compounds (mt) / Product Output (mt)



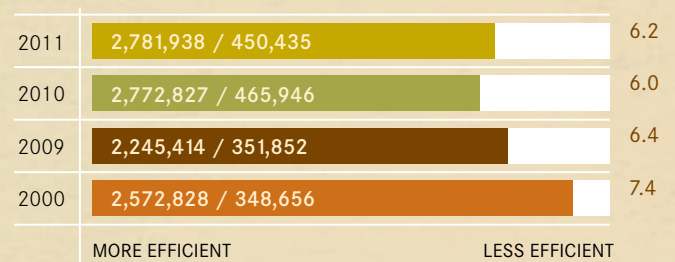
GRI EN8 Fresh Water Consumption*

Water (m³) / Product Output (mt)



GRI EN1 Raw Material Consumption

Materials (mt) / Product Output (mt)



* 2011 WATER CONSUMPTION

(ML = 1,000 m³)

Surface Water	4,249 ML
Ground Water	14,447 ML
Municipal Water	1,232 ML
TOTAL WATER	19,928 ML

UNITS AND SUBSTANCES KEY

GJ	= gigajoules	CO ₂	= carbon dioxide
m ³	= cubic meters	O ₂	= oxygen
ML	= megaliter	PO ₄	= phosphate
mt	= metric tons	SO ₂	= sulfur dioxide



SPILLS AND FINES

GRI EN23 Accidental & Episodic Spills

The following accidental, episodic spills and releases from Monsanto facilities were significant enough to be reported to one or more governmental agencies. In cases of material spilled to the ground, the spilled material was promptly and appropriately cleaned up. In all cases, root causes of the releases were identified and corrected, and there was no adverse impact to human health or the environment.

- On July 7, 2011, 3,597 pounds of natural gas were released into the atmosphere at the Luling, Louisiana facility.
- On October 16, 2011, 112 pounds of methyl chloride were released into the atmosphere at the Luling, Louisiana facility.
- On October 28, 2011, 55 gallons of hydraulic fluid were released onto the ground at the Soda Springs, Idaho facility.
- On October 28, 2011, 100 gallons of hydraulic fluid were released onto the ground at the Soda Springs, Idaho facility.

GRI EN28 Fines

In 2011, Monsanto paid US\$1,400,642 to the United States for alleged violations of the Clean Water Act (CWA) at the South Rasmussen Mine near Soda Springs, Idaho. There were no non-monetary sanctions for non-compliance with environmental laws and regulations. In reporting for GRI metric EN28, Monsanto is informed by the United States Security and Exchange Commission guidance that environmental proceedings to which a governmental authority is a party or known to be contemplated by governmental authorities and involving monetary sanctions greater than US\$100,000 be reported to the public.



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Improving Lives

Improving food production, security and affordability improves the welfare of the world's population and enables development of the world's economy. Monsanto believes farmers are at the heart of this. Their decisions about which crops to grow, which inputs to use and which practices to employ affect how bountiful harvests will be.

IMPROVING LIVES

GRI EC9 Many more people are now taking stock of the world's ability to meet growing food demand while conserving key resources for future generations. While these issues might be new to some of us, farmers have been aware of these issues for generations. They have stayed on the land, making it more productive, protecting this valuable resource base and passing it along to the next generation.



While we all have a stake in the future of agriculture, farmers' livelihoods are rooted in the success of their farms. As farms become more efficient, prospects improve to increase farmers' household income levels. When incomes are improved in farming, rural communities where farming is prominent achieve higher rates of job creation and economic expansion.

Monsanto believes that agriculture can only be sustainable if the livelihoods of farmers and those who depend on them keep improving. We seek to aid in the improvement of the lives of all farmers we are privileged to serve, however, we have set a specific target of achieving a measurable improvement in at least five million people's lives in resource-poor farm families between 2008–2020.

Based on global meta-analysis data compiled by ISAAA and PG Economics, 2.1 million resource-poor farmers adopted biotech crops for the first time in the 2008–2010 period. These farmers achieved US\$3 billion in additional net income as a result of this technology adoption. Based on farm household population levels in the locations where these technology adoptions occurred, six million to 12 million resource-poor farm family members shared in these benefits. Additionally, the communities where these economic gains were achieved may have realized three to seven times the level of economic benefits across rural communities.¹

Measuring the total economic impact of technology adoption for farmers and rural communities is a challenging but important objective for our assessments in the future. Monsanto supports and will continue to support efforts to objectively assess this area of our sustainable agriculture goals and provide more detailed findings in future reports.

¹ Subramanian, A. and M. Qain (2009). "Village-Wide Effects of Agricultural Biotechnology: The Case of Bt Cotton in India." *World Development* 37 (1): 256–267.

CONTINUED PROGRESS IN HUMAN RIGHTS POLICY IMPLEMENTATION

GRI HR1-3, 6-8, 10

GRI LA10

UN1

Producing seeds in more than 40 countries gives us the opportunity to have a positive impact on the lives of a significant number of agricultural workers. In order to guide our actions, Monsanto adopted our Human Rights Policy in 2006, and began a program to improve the lives of workers in our seed production supply chain, whether they are at our owned facilities or are working for a third party.

The Policy includes commitments on child labor, forced labor, compensation, working hours, harassment and violence, discrimination, freedom of association, occupational safety and legal compliance. We operate on a continuous improvement approach in working with our business partners to address the challenges posed by performing manual agricultural work, especially in developing economies.

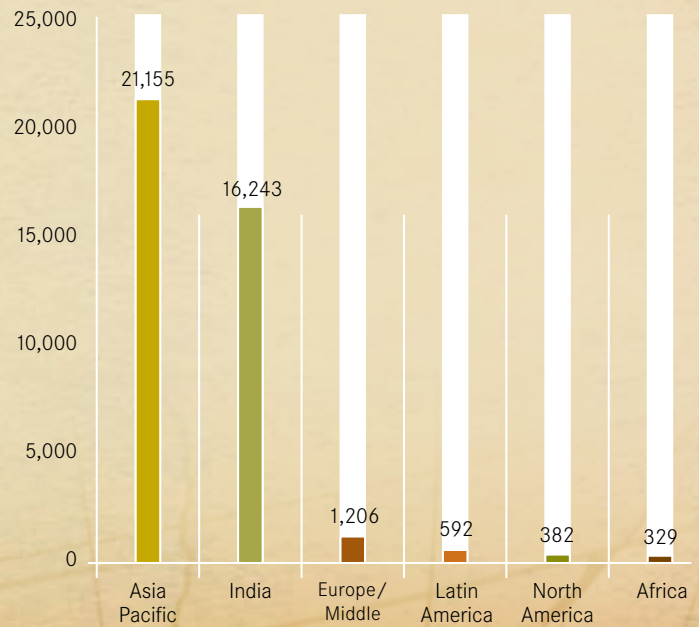
Our priorities are guided by a global risk assessment, which covers each part of the Policy in every country where we grow seeds and is updated every three years. In 2011, our scheduled update included adding new countries, reflecting changes in our business practices since 2008 and recent country developments. After reviewing on a country-by-country basis the tendency for human rights risks to exist, we overlaid country-specific operational information to decide where the greatest risks reside. The result is a list of high risk countries where we focus and conduct more detailed assessments of our operations and our supply chain. When we talk about our supply chain, we often use the term “**business partner.**” Generally speaking, a human rights business partner is someone who primarily provides manual labor in the production of seed for Monsanto. The chart at right shows the breakdown of business partners by geographic area in 2011.

Our specific Policy commitments and their implementation merit additional detailed discussion.

India represents the biggest risk area for child labor in our operations and supply chain. Since 2005, we have been working to eliminate child labor in our hybrid cottonseed

Monsanto Human Rights Business Partners

by Geographic Area, 2011



Monsanto Human Rights Champions Data

CONTINUED PROGRESS IN HUMAN RIGHTS POLICY IMPLEMENTATION, *cont.*

production there. Three years ago, we also began a program to remove child laborers from our business partners' vegetable seed fields. More information on these programs in India and their progress can be found on page 67, "Efforts to Eliminate Child Labor in our Business Partners' Fields in India."

Child labor risks also exist in other countries and Monsanto works to mitigate the risk and remediate occurrences when discovered. In 2011, our breeding site in San Juan de Abajo, Mexico, received the distinctive honor of being recognized as an agricultural company free of child workers by the Secretaria del Trabajo y Previsión Social (STPS) department of the Mexican government. This is the first of our 11 sites in Mexico to receive this distinctive honor and the first company in Nayarit State.

UN4 With regard to forced labor, there are some countries in Africa in which the widely used practice of 'tenancy agreements' can result in a forced labor situation for migrant workers. **HR7** In those countries, we are working with our business partner growers to make sure their workers are free to leave when they wish and will be compensated for their work in total, regardless of when they elect to return to their homes. **HR5** **UN3** For the countries where employees' freedom of association is at risk, we support our employees' independent decisions and included training on the rights of employees to associate and bargain collectively in our global training. For example, in 2011 in Peru, we successfully negotiated with the union that was recently formed by our seasonal workers. We enjoy good labor relations with all our employee representatives.

HR3 Our ability to identify and remediate issues, and to act in compliance with our Policy globally, is dependent upon the understanding and commitment of every employee to uphold our values and commitments. To enhance this understanding, we have provided human rights computer-based employee training modules at 18 month intervals. These training modules review sections of the Policy in a story format, and conclude with a quiz. Every full-time employee is required to take this training, and pass the quiz with a score of 100 percent. In 2011, we launched our third training module since the Policy was adopted, and 98.8 percent of employees completed it. This represented 9,562 hours of training. **HR8** Our global security

organization was included in this training and achieved a 99 percent completion rate, for a total of 60 hours.

HR4 **UN6** Employees can voice a concern confidentially or anonymously with the Monsanto Business Conduct Office and can use a variety of methods to do so, including telephonically, through a toll-free dedicated telephone system, company email, or the internet. In 2011, two discrimination allegations were filed with Business Conduct. The allegations were investigated by an independent review team chaired by our Business Conduct Office and resolved.

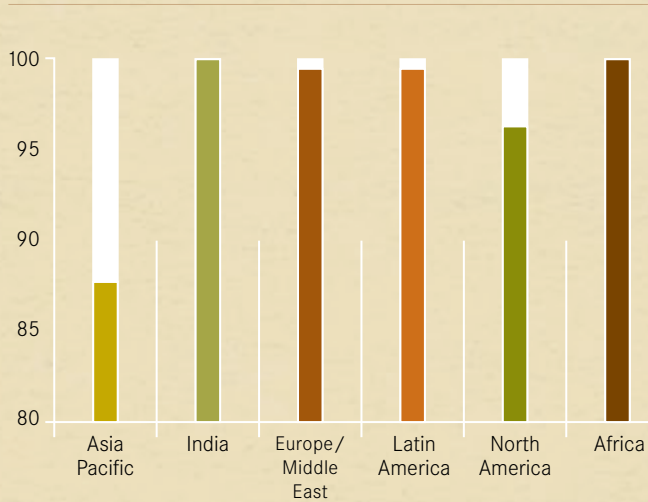
Throughout our seed supply chain, we have adopted several practices designed to help our business partners understand and act in accordance with our Policy. In our direct contracts with them, we include contract language regarding human rights. **UN2** By signing the contract, they indicate they have read and understood the Policy and agree to act in compliance with applicable labor laws. **HR1** In 2011, more than 17,800 contracts included this clause or 96 percent of direct seed grower contracts. (Many of our growers contract with "Seed Coordinators," who then contract directly with us.)

HR2 A second practice we use with our growers is to assess their compliance via a 22-question screening assessment which we call our Red Flag Assessment. We have a rotating schedule to assess a portion of our business partner growers in countries according to the risk level identified for the country. In 2011, we conducted 37,880 assessments, the majority of which were in India and Africa. The company process requires immediate action to investigate an affirmative Red Flag finding and remediate as necessary. See Business Partner graphs on the following page.

Our work around the world is spearheaded by our Human Rights Champions Network. (See sidebar on the following page for information on the conference we held this year.) The Champions have the responsibility to heighten awareness of human rights issues, and work to resolve them in their geography. They receive special training to enable them to identify gaps in auditing and compliance with our Policy and risks of non-compliance, and they work within the organization to remediate issues as expeditiously as possible. They also serve as contacts in the regions for anyone with a question or concern about human rights.

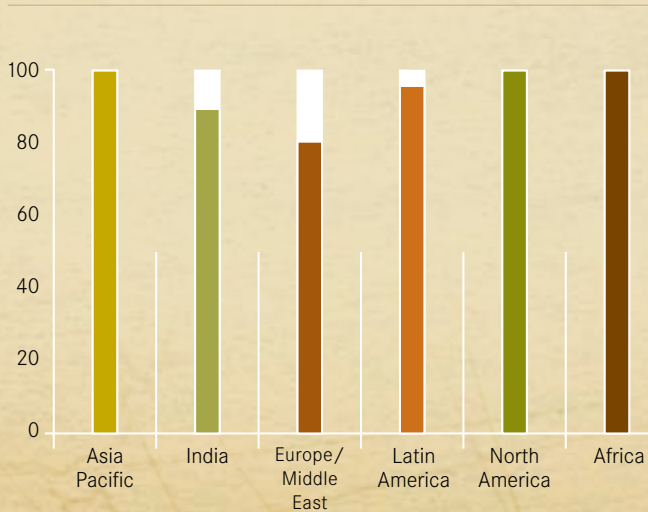
CONTINUED PROGRESS IN HUMAN RIGHTS
POLICY IMPLEMENTATION, *cont.*

Percentage of Business Partner Signatories to Labor Law Contract Clauses, by Region



Monsanto Human Rights Champions Data

Percentage of Business Partners Receiving Training/Manual



Monsanto Human Rights Champions Data

Human Rights Champions Conference

In addition to increasing visibility and awareness of human rights by Monsanto employees and business partners, Human Rights Champions identify opportunities and lead process improvements. This includes conducting field audits, coordinating initiatives, and planning and implementing corrective actions to ensure the appropriate treatment and respect of workers.

In 2011, the Human Rights Champions met in St. Louis to share ideas and best practices. During the conference, the team discussed the importance of dialogue and the ability to handle confrontations. Participants practiced high impact presentations and auditing techniques. They gained exposure and insight into a number of headquarters activities, including how the Monsanto Fund operates, social responsibility concerns our stockholders have expressed, the importance of our Business Conduct Office and Foreign Corrupt Practices Act (FCPA) compliance efforts, and how their human rights efforts fit with our Sustainable Agriculture vision of improving lives.

Speakers from outside of Monsanto were also invited to share their perspectives. Faris Natour, Director, Human Rights at Business for Social Responsibility (BSR), discussed the Guiding Principles for Business and Human Rights which were endorsed by the UN Human Rights Council, and the implications for businesses as a result of this work. Commenting on his experience at the conference, Faris said, "At the 2011 Human Rights Champions conference I met passionate leaders from around the world who showed a sense of ownership and great pride in Monsanto's efforts to address human rights challenges in the supply chain. Monsanto's system of local champions is a very effective way to integrate human rights throughout the company, and Monsanto has a great opportunity to apply this approach to human rights issues beyond the supply chain."

CONTINUED PROGRESS IN HUMAN RIGHTS
POLICY IMPLEMENTATION, *cont.*

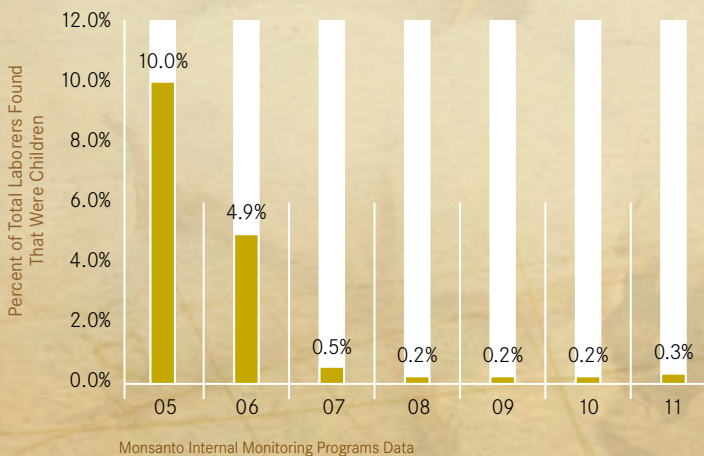
GRI HR4, 6 UN5 Efforts to Eliminate Child Labor
in Our Business Partners' Fields in India

Child labor in India is a significant challenge in rural areas in agriculture. Our business model for growing seeds in India involves contracting with individual small growers, either directly or through an agent known as a Seed Coordinator. In 2005, with the acquisition of Emergent Genetics, we became aware that children were often found working in hybrid cottonseed production. We immediately moved to develop an education and monitoring program for our Seed Coordinators and farmers. The education process has many facets which have evolved over the years. The main tool currently in use is our *Business Partner Guidebook*, available in five commonly spoken languages of the farmers in our production areas in India. Our contracts with growers and Seed Coordinators also contain language reinforcing Monsanto's position that child labor is not an acceptable practice.

We continue to monitor our business partners' fields in cotton, an effort overseen by our Child Care Program Steering Committee, which consists of NGO representatives and other interested parties. The number of business partners in cottonseed production has grown dramatically over the years, from approximately 1,000 in 2005, to approximately 21,000 in the 2011 season.



Reduction in Child Labor
In Business Partner Cottonseed
Production Since 2005



Reduction in Child Labor
In Business Partner Vegetable Seed
Production Since 2009



CONTINUED PROGRESS IN HUMAN RIGHTS POLICY IMPLEMENTATION, *cont.*

In the past year alone, we added 9,000 business partners. We are pleased that child labor in our fields has been reduced to well under one-half of one percent of the labor force. We believe the dramatic increase in the number of growers is the reason for the small increase we have seen in child labor percentage in the 2011 season.

Our vegetable production consists of far fewer growers than the cotton business. We have about 2,000 growers in vegetables, many of whom have grown seeds for Monsanto for five years or more. Prior to the inception of our formal monitoring program in 2009, we began our efforts to advise and educate farmers about our Policy and asked them to comply.

Our efforts appear to have been quite successful, as when monitoring began, we found less than 1 percent child labor.

Our production and quality teams, who make frequent field visits and maintain the labor monitoring responsibility themselves, continue to emphasize the importance of only employing adult labor and sending children to school. This emphasis, along with other practices unique to our vegetable seed production model, have helped eliminate child labor in our business partners' vegetable fields. These practices include offering a second crop in a season to growers who use only adult labor and partnering with NGOs in the vegetable seed production areas to enhance the school experience for children, in order to increase interest on the part of both children and their parents in children's education.

Brazil Partners to Provide Cancer Prevention for Impoverished Women

GRI LA8 **GRI S01** **GRI EC8** **UN1** Every year, approximately 10,000 Brazilian women die from breast cancer and 4,000 succumb to uterine cervical cancer. Eighty-five percent of those deaths may have been avoided with early detection. In Camaçari, an area in Brazil with more than 186,000 people, poverty contributes to poor health conditions. Monsanto's Ana Viana led an effort to help Camaçari's manufacturing location find a way to help these impoverished women.

"Statistics from the Brazilian Ministry of Health state that women over 40 are more likely to develop breast and cervical cancer," Ana Viana, Monsanto Brazil's Community Affairs analyst, said. "The Women's Health project's objective is to prevent cancer through educational guidance and clinical diagnosis for low-income women living in Camaçari City, which has an incidence of disease 10 times higher than [Brazil's] national average."

A group of Monsanto employees in Brazil partnered with Brazil's Secretary of Health to set up Women's Health. The program targets women over the age of 40 who haven't had preventative or related examinations for more than a year. The Secretary of Health helped the team identify communities of women in need with no access to the public health system. Since the program began in 2006, it has provided clinical examinations for 4,000 women and provided H1N1 vaccinations to 200 women.

"The most difficult aspect of this project was accessing the places where these women live because no public transportation reaches those areas," Viana said. "It was also difficult gaining their confidence to educate them about prevention." In the areas the program reaches, many elderly women have never seen a gynecologist. After diagnosing existing problems, the women are guided by the Secretary of Health to the appropriate treatment in public hospitals.

"It's rewarding to know that Monsanto is making a difference for those women and their families by improving their quality of life," Viana said. "This is an awesome way for Monsanto to give back to the community."

The team hopes to maintain and expand the program in the future to cover younger women for early detection of breast, uterine and cervical cancer, and sexually transmitted diseases. They also hope the results of Women's Health will encourage Brazil's Secretary of Health to develop additional projects to increase disease prevention.

DIVERSITY NETWORKS AT MONSANTO

UN6 At Monsanto, diversity is critical to the success of our global business. To meet the needs of global farmers, we must have a global point of view. A farmer's needs in South Africa, for example, are very different from a farmer's needs in Brazil. They face very different agricultural challenges.

That is why we have employees around the globe who live and work in or near the communities where our customers farm. In fact, we have more than 500 global locations for our more than 20,000 employees. Our people are the link between the workplace and the marketplace...and we need a workplace representative of all cultures to create innovative solutions for our customers.

To foster an environment of inclusiveness and collaboration, we have the following formal internal efforts in place:

- **Our nine employee-led diversity networks** provide networking and learning opportunities for people with diverse backgrounds. Senior leaders act as liaisons for each of these groups to provide leadership support as needed, as well as Executive Team members who serve as sponsors.
- **At our most senior level, we formed our Diversity Council** in 2007 to advance the Monsanto culture around inclusion and develop diversity champions at every level of the organization. This Council has been an effective vehicle to identify opportunities and areas for improvement throughout our global business units. The Council is led by our Strategy / Operations Lead, linking the importance of diversity to driving innovation and delivering strategic business results.
- **We must recruit, develop and retain employees** to remain on the cutting edge of agricultural innovation. Executive and management compensation is tied directly to our diversity efforts, and we are building our succession slates with diverse internal and external talent pipelines. We continue to learn

and make improvements so we can attract and retain the best talent and provide an inclusive work environment limited only by our employees' aspirations.

Diversity Networks: Creating a Great Place to Work for All

The vision for our diversity networks is to create and sustain an inclusive environment in which all network members may thrive and reach their potential. The mission of our diversity networks is to further members' professional development to maximize their individual contributions to corporate goals and objectives. Monsanto diversity networks sponsor efforts that support career development, networking, recruitment, promotion of cultural awareness and the creation of an inclusive environment. All the diversity networking groups have an Executive Team member as a sponsor and high levels of employee participation.

Any employee can join any diversity network. Mark Sutherland, for example, is a Caucasian Scotsman and member of

DIVERSITY NETWORKS AT MONSANTO, *cont.*

Monsanto Asian Connection (MAC), as well as the editor of the group's newsletter. "Throughout my career I have always sought to learn from people who have different experiences and knowledge. Groups like MAC help me expand my knowledge base, understand other cultures better and meet some great people along the way."

THE MONSANTO ASIAN CONNECTION was launched in 2003 as a diversity network focused on both developing and leveraging Asian American employee cultures within Monsanto. Today the MAC is comprised of over 500 members representing dozens of different cultures and backgrounds. It has also added several chapters outside of the headquarters in St. Louis, including Louisiana, Hawaii, Mississippi and California.

MAC members have regular opportunities to network directly with Executive Team members, including Chairman, President and CEO Hugh Grant and Executive Vice President and Chief Technology Officer Robb Fraley (the MAC executive team sponsor). "It definitely provides an opportunity for employees to network and support Monsanto business," said Heping Yang, Research Scientist.

ENCOMPASS is a resource group for the company's gay, lesbian, bisexual and transgendered (GLBT) employees. The network was begun by Ashley Alvarado, an Administrative Assistant. "I started working here about three years ago and realized that there wasn't [a network of this kind] so I wrote a proposal," said Alvarado. "As soon as I stepped forward, all of the resources were there," said Alvarado. "It's been great."

Alvarado sees a specific need for the GLBT network. "It's a very competitive market and because we live in Missouri, it's not the most inclusive place for GLBT employees," she said. "A lot of positions that we hire for are very specialized and we have to make ourselves as desirable as possible, and the networking groups do that."

She also believes the networks are helpful for providing feedback to policymakers and decision makers. Finally, the sense of community is important to her. "In just a short time, I've already started talking with and meeting with people that I normally would probably never have been in contact with and it's just because of the group."



DIVERSITY NETWORKS AT MONSANTO, *cont.*

AFRICAN AMERICANS IN MONSANTO (AAIM) The mission of the AAIM network is to continuously develop African American employees in support of Monsanto's goals and objectives and create a great place to work. It also focuses on creating and sustaining an inclusive environment that enables African Americans to be successful while adding value to our company and communities.

MONSANTO LATIN NETWORK The annual meeting of the Monsanto Latin Network became a global affair when the group opened a recreational activity at a bowling alley to all Monsanto employees. Among those in attendance were employees from France, Russia, Uzbekistan, Bulgaria and Mexico. "I realized we were reaching out to a much broader audience," said Rocio Romero, Manufacturing Finance Analyst. "Our network has elevated its goals to include reaching people who enjoy other cultures and learning about different backgrounds."

For Romero, one of the most important focus areas in the Monsanto Latin Network is recruiting—and not just limited to Hispanics and Latin Americans. "We focus on seeking the best talent to bring to Monsanto," she said. "In our job searches, we come across a lot of great talent. Our focus is to bring more Hispanics to the company, but we bring anyone who has the best talent. In the past four years, we've recruited one Hispanic, one African-American, one Asian and one Caucasian."

MONSANTO ST. LOUIS WOMEN'S NETWORK focuses on leadership development, mentoring and building relationships within the organization. "For women who don't have leadership experience, we allow them to take leadership roles within the network to help build those skills," said Jennifer Listello, President of the Monsanto St. Louis Women's Network.

"We hold events to help women with career development and often have successful women from both within and outside of the organization come in to talk about their careers." Listello added, "The women within the network are truly looking for good examples of women succeeding to help them navigate their careers at Monsanto."

THE FAMILY NETWORK According to *Working Mother Magazine*, among employees who are parents, those who are highly engaged with their families receive stronger performance reviews than those who always put work first. "The Family Network enhances our efforts to create an environment where contributions at work are balanced with the employee's fulfillment of personal and family responsibilities," said Steve Mizell, Executive Vice President, Human Resources.

VANGUARD (VETERANS AND NATIONAL GUARDSMEN)

In order to assist with attracting, developing and retaining talented employees who may have a military background, the VANGUARD network was formed.

"Vanguard is Monsanto's Veterans and National Guard Diversity Group focused on bringing together Monsanto members who have supported their country or state through military service," Tom Butler, Selective Chemistry Product Manager, Crop Protection, said. "Initiatives include providing support to service members and their families in the event of deployment, networking with national and local military organizations, and working with Talent Acquisition groups."

THE ACCESS NETWORK According to the U.S. Census, in the last 10 years the percentage of persons with disabilities who graduated from college rose from 9.4 percent to 33 percent, while college graduates without disabilities rose only 3 percent. The Access Network was formed to address this increase in graduates with disabilities.

"Through the Access Network, we support the retention, recruitment and advancement of our employees, candidates and guests with visible and hidden disabilities," says Peggy Sullivan, University Recruiter and Access Network Co-Lead. "The Network focuses on improving access to facilities, opportunities and resources for those with disabilities and those who support them in their professional endeavors at Monsanto."

"Monsanto continues to look for ways to support our employees, enhance our culture of inclusion, broaden our perspectives and go beyond just thinking about diversity in terms of race and gender," said Steve Mizell, Executive Vice President, Human Resources. "Supporting our employees and promoting an inclusive environment is critical for our business."

FOOD LABELING: DIVERSITY OF THOUGHT

Crops produced through the use of biotechnology are considered genetically modified (GM), and labeling these products has been a subject of debate for some time. While the U.S. Food and Drug Administration (FDA) has concluded that labeling is not required for food from GM crops, and studies have confirmed the safety of consuming GM crops, Monsanto considers the various points of view.

Food labels are important for identifying what a food is, what it contains and how it fits into the diet. These labels have long been a source of information relevant to consumer health and provide instructions for proper use and preparation. The food label has also been an effective consumer marketing tool. In the United States, the FDA is charged with ensuring foods are labeled correctly.

The U.S. Federal Food, Drug and Cosmetic Act specifically states what is required on food product labels to communicate ingredients, nutritional content and scientifically documented health or safety concerns, such as allergens. The FDA has concluded there is no need to mandate labeling of the process—such as agricultural biotechnology—by which a food was developed or produced, because accurate information regarding the food is already required. Consistent with this approach, if a production or processing difference results in a change in the food itself, or alters the food in some way, then that difference will be reflected on the label. In this way, a consumer who reads a food label knows it conveys clear and material information about the food in a consistent manner. Production techniques, such as organic agriculture and agricultural biotechnology, can be included on the label if a manufacturer elects to do so, but are not required under current U.S. law.

Under these rules, foods containing biotech ingredients are subject to the same label requirements as other foods and will contain accurate information about their ingredients, nutritional content and any required health and safety information such as allergen content. The safety and benefits of GM products on the market are well-established. The safety has been confirmed

GM Research Reports

In December, 2010, the European Commission published a report summarizing the results of 50 research projects addressing the safety of GM crops for the environment and for animal and human health. These projects received funding of €200 million from the European Union and are part of a 25-year long research effort on GM crops. In announcing the report, the Commission stated, "...there is, as of today, no scientific evidence associating GM crops with higher risks for the environment or for food and feed safety than conventional plants."¹

Also in 2010, the National Research Council of the U.S. National Academy of Sciences issued a report, "The Impact of Genetically Engineered Crops on Farm Sustainability in the United States," which concludes that U.S. farmers growing biotech crops "...are realizing substantial economic and environmental benefits—such as lower production costs, fewer pest problems, reduced use of pesticides, and better yields—compared with conventional crops."²

¹ http://ec.europa.eu/research/biosociety/pdf/a_decade_of_eu-funded_gmo_research.pdf

² http://www.nap.edu/openbook.php?record_id=12804&page=R1

FOOD LABELING: DIVERSITY OF THOUGHT, *cont.*

by national food safety agencies in scores of countries, as well as international public health institutions like the World Health Organization. Hundreds of millions of meals containing food from GM crops have been consumed over the past 15 years, and there has not been a single substantiated instance of illness or harm associated with these products.

There are, however, preferences consumers may have about products that are not based on scientifically documented nutritional differences or health or safety concerns. Food manufacturers' voluntary labeling practices can address those preferences and provide consumers the opportunity to make those choices. Food manufacturers who believe their customers want particular information can label their products with specific production information as long as it is truthful and not misleading.

Monsanto's EVP for Sustainability and Corporate Affairs Weighs In

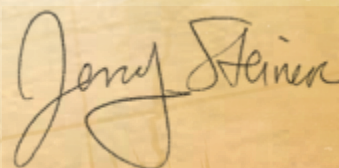
GRI PR3 The subject of labeling brings up many strongly held views. I have personally received a lot of advice from many different stakeholders as to what stand Monsanto should take on requiring labels on foods using GM crops. These are crops that have been designed to protect themselves from insects or to tolerate certain herbicides that enable better weed control, requiring less tillage and thereby saving diesel fuel and topsoil. In recent years, it also included several different technologies to improve the healthfulness of oils from soybeans.

Some advise that it would help build consumer confidence in GM crops if we showed confidence and pride in our innovation and make it visible to the consumer. I believe this has merit, as we are proud of the contributions our products make. Others have said that it would be impossible for consumers to see a mandatory label as anything but a warning because they are conditioned to conclude the reason to require this information is to inform consumers of a hazard. (Even though the safety record of 15 years is clear evidence there is nothing to warn them about.) This concern is exacerbated by the relentless aggressive scare tactics of some of the authors of labeling initiatives, who want GM labeling to be a warning. This advice is also compelling.

As a seed company, Monsanto is just one of many stakeholders that have an interest in this topic. When you think about food products purchased by consumers, seed suppliers are a long way back in the food value chain, and there are many other views that should be considered. There certainly are a wide range of views on this topic from a diverse group of stakeholders. The actual food product being labeled belongs to someone—they should have a voice. Monsanto does not have any food products on the shelf. In fact, we don't even grow any of the crops. Farmers do, and in growing our foods they should also have a voice. They are consumers and often proudly eat some of what they grow.

As I absorb and think about all of this, I believe the most important outcome is that both farmers and consumers have informed choices, without the effect of unhelpful fear mongering. The current system of voluntary labeling accomplishes these objectives, and everyone can find what they want. The competitive marketplace is alive and well. If more and more consumers truly want organic and other non-GM products, we will have more food companies offering more products to serve those needs. As I walk down my local grocery store aisle in St. Louis, Missouri, I see many of these offerings, and this information is prominently displayed and marketed to consumers. As a seed company, we sell or license many non-GM seeds so farmers have a choice, too.

For consumers to whom this label information is not as important, they benefit from farmers using technology that can make food more plentiful. In today's approach, both consumers and farmers get their choices, and neither are scared by something with no basis in fact. Our conclusion is that the current system of labeling in the U.S. offers the most benefits to all parties. We proudly take this view along with many farmer organizations, food companies and NGOs. We recognize this is not an issue everyone will agree upon, and respect the views of those who come to a different conclusion.



Jerry Steiner

EVP Sustainability & Corporate Affairs



FOOD LABELING: DIVERSITY OF THOUGHT, *cont.*

GRI PR3 One Mother's Perspective on Food Labeling

As a mother of small children who cares about the food I feed my family, I rely on food labels for important information. I do not always have the time to research product alternatives in advance, so my decisions have to be made in real time in the grocery store aisle with one child in the cart and the other hanging on my arm.

I need truthful information that does not mislead me about the quality, nutritional value and safety of the food I buy. Food labels should empower me to make good decisions, not be a source of confusion while I am shopping.

At times, I seek products with special characteristics such as low in fat or sodium, with added vitamins or a good source of whole grains. I appreciate it when this information is clearly and prominently presented on the label. If I can readily understand what the claims mean, I will have an opportunity to make an informed choice based on my preferences and budget.

Walking down the grocery aisle, it is easy to see that in addition to ingredient and nutrition information, many food labels also include information about production practices (e.g., cage-free eggs, certified organic lettuce and sustainably raised seafood). I am also noticing more and more products labeled as "natural" or "made with all-natural ingredients." Clearly there are many things consumers may want to know about their food, and food companies are working hard to determine what product characteristics and claims drive consumer demand.

Some foods are labeled as "GM-Free." As a scientist and Monsanto employee, I know that crops produced through

biotechnology [also called Genetically Engineered (GE) or Genetically Modified Organism (GMO)] are as safe as conventionally bred crops and provide benefits to the environment, but I respect food companies' rights to voluntarily label products as "GM-Free" and customers' rights to buy them.

I understand that some countries require food with ingredients derived through biotechnology to be specially labeled. In the U.S., such labeling is not required because the FDA has determined that there is no safety or nutritional difference between biotech and conventional crops, and it is FDA policy to require labeling based on the characteristics of the food, not how it was developed and produced. The National Organic Program, which regulates food sold as organic in the U.S., does not allow biotech to be used by producers of organic crops, so consumers wishing to avoid biotech crops can choose foods that are certified organic.

Some groups are seeking to have the FDA and/or individual states require food companies to specially label foods containing biotech ingredients. I don't think such labeling should be required by the government and I worry that, if it is required, it will mislead consumers regarding the safety of the products. In my opinion, the government's mandatory label should be reserved to convey safety and nutritional differences and responding to other consumer preferences should be left to voluntary marketing labeling by the food companies.

I understand the power of food labels and will continue to seek out food with clear and accurate labels that help me make good choices about the quality and nutritional value of the food I feed my family.

Natalie DiNicola, *Monsanto Company*
Sustainable Agriculture Partnerships Lead



MONSANTO FUND HIGHLIGHTS

GRI EC8 The Monsanto Fund, established in 1946, supports projects that improve the lives of people around the world. As the philanthropic arm of the company, the Monsanto Fund seeks to improve lives by bridging the gap between people's needs and their resources. Globally, we support solutions that address education and community needs in farming communities and communities where our employees live and work.

INMED Partnerships for Children, Brazil

For more than a decade, the Monsanto Fund has supported INMED Brazil in their quest to improve the health, nutritional status and environmental awareness of 1.5 million children in Brazil. Through the Healthy Children, Healthy Futures program, INMED is working to:

- Reduce hunger among participating children by increasing the availability of nutritious produce through school gardens and nutrition education for teachers, school food workers and parents of school-age children.
- Improve children's health and nutritional status by increasing their access to nutritious foods, treating them for infections that rob them of vital nutrients, and educating them on good nutrition practices and preventative health, hygiene and sanitation measures.
- Build the foundation for long-term improvements in the quality of life for families in the community by enhancing environmental and health- and nutrition-related education for parents and other community members, and increasing food security by encouraging the use of family gardens.

With this approach of family and community education and engagement, the work of INMED, complemented by US\$2.5 million from the Monsanto Fund, has impacted as many as 5 million people throughout Brazil. (INMED was originally an acronym for International Medical Services for Health. The name of the parent organization is now INMED Partnerships for Children.)

Integrated Community Organization for Sustainable Empowerment and Education for Development (ICOSEED), Kenya

Getting enough food for a healthy and active life is a distant dream for many school-going children in the arid and semi-arid regions of Kenya. ICOSEED, through its Vegetable Gardening Project, is working with schools in these areas to brighten the outlook for these children. The gardening project supplements the government's school feeding program by adding vegetables and fruits grown by the students to the menu.

In 2010, the Monsanto Fund supported ICOSEED and its partners, and support continued in 2011 through a US\$195,000 grant. A technology resource kit was provided for each school and contained inputs and resources needed to build and maintain a quarter-acre garden under drip irrigation. The ICOSEED Vegetable Gardening Project has grown from 50 schools in 2010 to 125 schools today.

The project uses the school gardens as a platform to encourage the wider community to address local food security and nutritional needs. The concept has been well-received in the community, with 23 other schools independently setting up their own vegetable gardens.

MONSANTO FUND HIGHLIGHTS, *cont.*

Circle for Integrated Community Development (CICOD), Malawi

Malawi's second largest city, Lilongwe, has an estimated population of 860,000. The city has long been content with one fire station, but as the town has continued to grow both in population and area, this fire station located in Old Town could no longer serve its 682-square-kilometer zone effectively.

Realizing the need for a fire-fighting facility commensurate with the city's industrial area, CICOD brought together a consortium of businesses working in Kanengo, the heart of Lilongwe's industrial district, with the common aim of setting up a fire sub-station.

With a grant from the Monsanto Fund in the amount of US\$48,600, the Kanengo consortium acquired a fire engine as a first step toward establishing this new fire station. The new fire engine is now in the hands of the Lilongwe City Council which oversees its day-to-day running, staffing and maintenance.

Since it was commissioned, the fire engine has assisted those in the Kanengo area during fire emergencies. Fitted with standard rescue gear, the fire engine has proved invaluable in road accident rescue response and fire rescue response, including extinguishing fires in eight houses in Lilongwe.

Professional Assistance for Development Action, India

With the help of the Monsanto Fund, a five year project is underway to improve the incomes of 3,000 poor families in Kalahandi district, through Integrated Natural Resource Development (INRD), improved farming systems and better market linkages.

The program, which began in October 2011, identified women from target families and organized them into Self Help Groups. These women learn sustainable agriculture practices—maximizing return without depleting resources—through integrated land and water resource development education, which propagates the benefits of rainwater harvesting, land conservation and the judicious use of resources through modern cropping practices using organic inputs. These demonstrations helped mobilize support from government bodies, banks and other financial institutions to sustainably replicate these farming systems in neighboring villages.

It is expected that income from the land under cultivation using INRD will reduce encroachment on nearby forest land and encourage the local population to preserve that forest land.

Within the first quarter alone, twelve Self Help Groups were established, and 150 families have been educated on the importance of INRD to increase their incomes and how to fulfill their economic aspirations through concept seeding sessions. Three irrigation schemes, under an Integrated Action Plan, have been set up, and flow irrigation schemes have been installed to help more than 50 families enhance their agricultural productivity as well as their household food consumption.



MONSANTO EMPLOYEE VOLUNTEERISM

GRI EC8 Monsanto employees have a long history of volunteer work. The Monsantogether program was created to make it easier for employees to get involved in the communities where they live and do business.

Monsantogether was launched in 2010 in Brazil, Canada, the United States and the Latin America South region. The program supports employees' personal charitable involvement and recognizes community volunteer efforts.



Monsantogether

Enriching Communities. Helping Others.

SINCE THE LAUNCH,

394

organizations, schools, and instruments of state or local governments have benefited from the program, and more than

US\$112,500

in financial grants were issued to participating organizations.

In just 14 months:

1,898

VOLUNTEER EVENTS HAVE BEEN ORGANIZED

1,290

EMPLOYEES HAVE PARTICIPATED IN VOLUNTEER EVENTS

28,455

EMPLOYEE VOLUNTEER HOURS HAVE BEEN LOGGED

COMMITMENT TO EDUCATION:

MONSANTO'S BEACHELL-BORLAUG INTERNATIONAL SCHOLARS PROGRAM

GRI EC8 Rice and wheat are two of the most important crops for food security, with more than half the world's people depending upon these crops daily.

As part of our commitment to sustainable agriculture, Monsanto pledged US\$10 million to provide fellowship opportunities to highly motivated individuals seeking their PhD in rice or wheat plant breeding. Through these fellowships, the scholars gain the leadership skills, education and tools to positively impact rice and wheat farmers around the world and improve the future of agriculture.

The program is designed to provide some unique learning experiences for the scholars, including:

- Scholar-developed applied research programs that include experiential learning in both developed and developing countries
- Participation in the World Food Prize and Borlaug Dialogue in Des Moines, IA

- Opportunities to interact with leaders in government, research, academia and industry

After three years, Monsanto's Beachell-Borlaug International Scholars Program (MBBIS) has provided 38 scholars from 19 different countries the opportunity to pursue their PhD at leading universities and to collaborate with research institutions around the world.

All applications for fellowships are reviewed by an independent panel of internationally recognized judges.

Visit www.monsanto.com/mbbischolars to learn more about the program.



"In addition to his passion for plant breeding, one of my grandfather's [Dr. Borlaug] greatest commitments was to educating future generations of scientists. This program, named in his honor, continues his legacy." —JULIE BORLAUG, BORLAUG INSTITUTE FOR INTERNATIONAL AGRICULTURE, TEXAS A&M.

"I would recommend this program to any aspiring individual. Here is one genuine and lifetime opportunity to join and be a part of a distinguished group of world citizens that have vowed to alleviate world hunger! To me, MBBIS gives life to our dreams!" —GODWIN MACHARIA, 2009 SCHOLAR FROM KENYA

EMPLOYEE DATA

GRI LA1 The total workforce broken down by employees and supervised workers.

Employees	20,767
Supervised Workers	0
Total	20,767

Note: We do not centrally track contract workers. Our Environmental, Safety & Health Group applies an algorithm to the total number of hours worked by contract workers to derive a Full Time Employee equivalent for OSHA reporting purposes.

GRI LA1 The total number of permanent employees broken down by employment type.

Full time	20,323
Part time	444
Total	20,767

GRI LA1 The total workforce broken down by region using a geographic breakdown based on the scale of the organization's operations.

Asia Pacific	953
Brazil	2,373
Canada	239
China	196
Europe/Middle East/Africa	3,603
India	831
Latin America North	1,170
Latin America South	1,247
United States	10,155
Total	20,767

GRI LA2 Total number of employees leaving employment during the reporting period broken down by gender.

Female	583
Male	1,222
Total	1,805

GRI LA2 Rate of employees leaving employment during the reporting period broken down by gender.

Female	2.81%
Male	5.88%
Total	8.69%

GRI LA2 Total number of employees leaving employment during the reporting period broken down by age group.

Under 30	369
30-50	1,045
Over 50	391
Total	1,805

GRI LA2 Rate of employees leaving employment during the reporting period broken down by age group.

Under 30	1.78%
30-50	5.03%
Over 50	1.88%
Total %	8.69%

GRI LA2 Total number of employees leaving employment during the reporting period broken down by region.

Asia Pacific	101
Brazil	325
Canada	18
China	25
Europe/Middle East/Africa	449
India	116
Latin America North	97
Latin America South	99
United States	575
Total	1,805

EMPLOYEE DATA, *cont.***GRI LA2** Rate of employees leaving employment during the reporting period broken down by region.

Asia Pacific	0.49%
Brazil	1.56%
Canada	0.09%
China	0.12%
Europe/Middle East/Africa	2.16%
India	0.56%
Latin America North	0.47%
Latin America South	0.48%
United States	2.77%
Total	8.69%

GRI LA2 The percentage of total employees (from LA 1) who received a formal performance appraisal and review during the reporting period.

Total	97.54%
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GRI LA13 The percentage of employees in the gender category (female/male).

Female	30.90%
Male	69.10%
Total	100%

GRI LA13 The percentage of employees in minority groups.*

	24.45%
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*U.S. only. Excludes white males and white females.

GRI LA13 The percentage of employees by age group.

Under 30	15.93%
30-50	64.19%
Over 50	19.87%
Total	100%

GRI LA2 The percentage of individuals within the organization's governance bodies by gender.

% BY TOTAL LEADERS	
Female	26.20%
Male	73.80%
Total	100%

GRI LA13 The percentage of individuals within the organization's governance bodies in minority groups.*

% BY TOTAL LEADERS	
Total	16.59%

*U.S. only. Excludes white males and white females.

GRI LA13 The percentage of individuals within the organization's governance bodies by age group.

% BY TOTAL LEADERS	
Under 30	1.46%
30-50	72.29%
Over 50	26.25%
Total	100%

MONSANTO'S STAR PROGRAM

GRI LA7-8 **GRI S010** **UN1** Assuring a safe place to work is a fundamental building block of our Pledge. The Monsanto Star program provides employees the opportunity to earn safety certifications for their site through strong programs and participation. Through recent challenging economic times, many governmental programs have been financially stressed for support, making it even more important to maintain a strong company focus on our internal safety programs.

The Monsanto Star Program has continued its success through employee education, commitment and management support. It provides both U.S. and international sites the opportunity to showcase their above and beyond compliance with the Occupational Safety and Health Administration's (OSHA) Voluntary Protection Program and other internationally recognized programs.

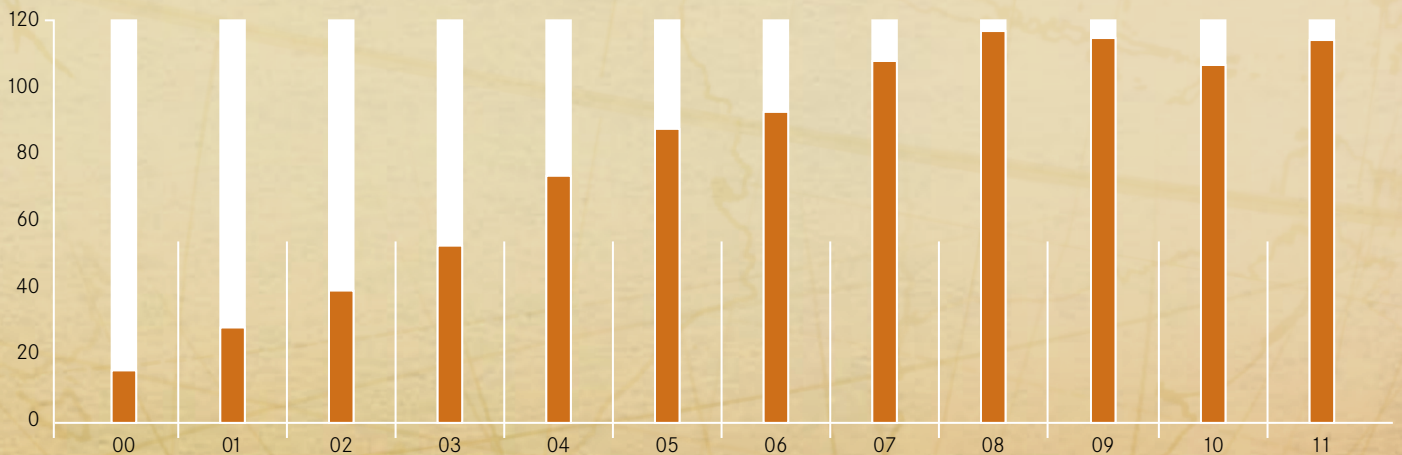
Our Star Program also helps drive continuous improvement, as re-certification is required on a multi-year basis. Monsanto sites must demonstrate their focus on improving practices and

procedures. The updates of Job Safety Analyses, the participation in hazard recognition programs, and the conduct of safety observations are just a few of the programs under continuous review for improvement opportunities.

With more than 450 sites globally, Monsanto has an ongoing commitment to certify all attainable sites into the Star Program.

Safety is a core value of Monsanto, and through participation in the Star Program, employees have the opportunity to come together for a very personal, common goal.

Total Star Sites by Year



Source: Historical Monsanto Star Site Records

MONSANTO'S STAR PROGRAM, *cont.*

Recognition of Occupational Safety Performance

The Soda Springs Plant—after one year without experiencing an injury—received the following message from Dean Ikeda, OSHA Regional Administrator, Seattle: “OSHA congratulates Monsanto for operating the past year without a recordable injury or illness. As a Voluntary Protection Program (VPP) Star, this site has demonstrated that a systematic approach to safety with direct employee involvement can significantly reduce hazards, and improve overall performance.”

The Muscatine, Iowa, manufacturing facility was recognized for working with the Chemical Sector Specific Agency in educating and partnering with the U.S. Department of Homeland Security to protect the U.S. chemical industry.

The Kearney, Nebraska, site received the Governor’s Wellness Award in recognition of growing the seeds of wellness by providing programs and services for employees.

The Philippines Corn Breeding team received a Safety Milestone — or “SMILE”—Award from the Philippines Department of Labor and Employment. The award is presented through the Bureau of Working Conditions and is given to companies that

operate for a specified period of time without experiencing a lost-time injury incident among employees.

Union Pacific Railroad awarded Monsanto the 2011 Annual Pinnacle Award which recognizes Union Pacific customers that implement successful prevention and corrective plans to achieve a rate of zero non-accident releases (NARs) for shipments of regulated hazardous materials. Monsanto is one of only 79 companies so recognized.

The Chemical Industry Council of Malaysia recognized the Pasir Gudang, Malaysia, manufacturing plant for outstanding performance with the Responsible Care® Gold and Platinum Awards for employee safety, health and process safety.

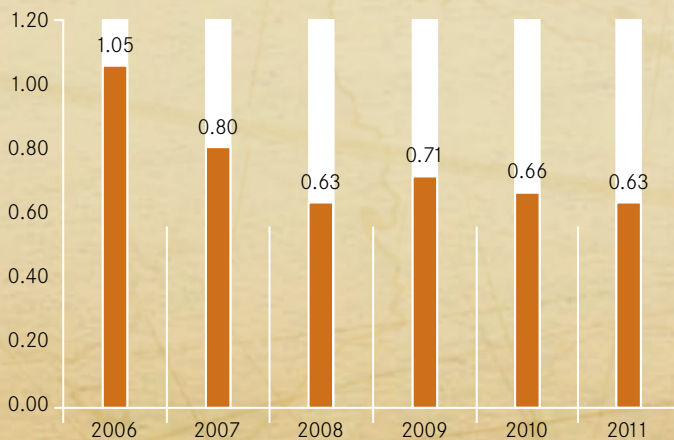
Commitment to Safety of Our Neighbors

In addition to the safety of our employees, families, and contractors, we value the safety of our neighbors in the communities where we operate. We recognize the need to have strong process safety management systems in place and continuously improve those systems.

A Process Safety Leadership Team and a management review system monitors process safety systems across our chemical operations. A Process Safety Technical Team made up of key technical contacts from each of our chemical manufacturing sites meets regularly to share process safety information and identify and promote good practices. Monsanto has adopted the safety metrics recommended by the Center for Chemical Process Safety which track the number and severity of releases of hazardous chemicals. In addition, we track process safety metrics for action tracking follow-up, mechanical integrity, management of change and process safety training.

In an effort to better understand and continuously improve employees’ and contractors’ understanding of process safety, we periodically employ a consulting firm to use a process safety cultural survey tool across all of our chemical manufacturing sites. The survey is given to all employees and contractors in English, Spanish, Portuguese, Bahasa Indonesian, Bahasa Malay, Flemish, and Hindi languages. The survey enables us to compare ourselves to internal and external benchmarks. The survey results provide us with an opportunity

Employee Total Recordable Rate



Internal Monsanto Global Incident Reporting System Data

MONSANTO'S STAR PROGRAM, *cont.*

to identify areas for improvement in clarity of goals, responsibilities, procedures, equipment, process safety reporting, safety values, worker empowerment and process safety training. All of the sites participating in the survey have analyzed their results and put in place action plans for areas of improvement.

Off The Job Safety

Monsanto continues to be a leader with the outreach of our Global-Off-the-Job Safety (OTJS) Program. Monsanto employees delivered awareness training and critical safety supplies related to vehicle safety, emergency preparedness, first aid and illness/injury prevention, to name a few.

The company collectively touched 350,000 employees, family members, members of the communities where we live and work, and customers through the numerous outreach activities across the world in FY2011. In recognition of the Monsanto employees who promote safety in the communities where we live and work, the Actively Caring Award (ACA) was developed to recognize those employees who used life-saving skills in emergency situations to save others' lives.

The S.A.F.E. Community Award (Safety Awareness for Excellence — Community) was developed to recognize actions our employees have taken which positively impact their local communities and can be validated by a third party (such as a fire department, hospital, police department or school).

In total, we proudly recognized nine heroes with the ACA Life Saver Award and two teams with the S.A.F.E. Community Award in FY2011.

Global Vehicle Safety

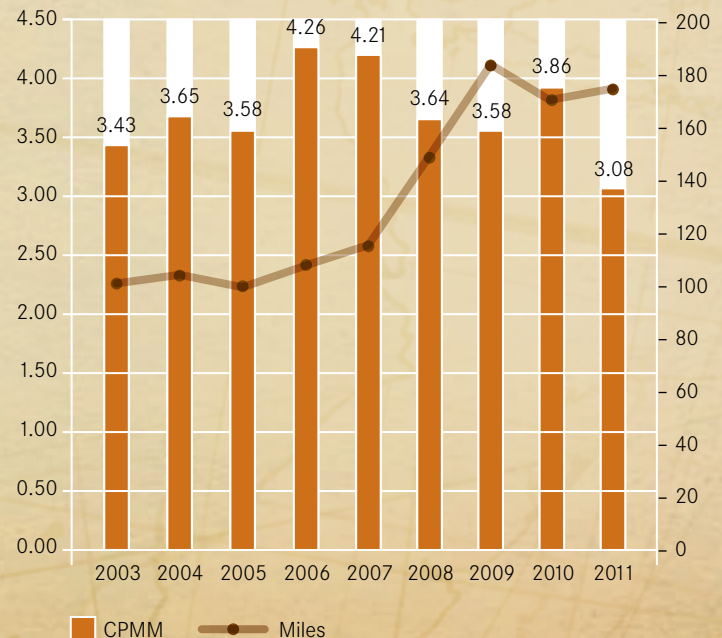
Monsanto drivers traveled 170 million miles and achieved a historic low rate of collisions per million miles (cpmm) of 3.08 in FY2011. (See chart at right.)

The Monsanto vehicle policy is expanding globally to meet our diverse business needs. For example, newer and safer technologies are considered when replacing vehicles in order to increase the safety of all drivers and passengers while

driving on public roads or farms under varying conditions; drivers are required to participate in a commentary/peer reviewed driving process to help them improve their driving skills under actual driving conditions; seatbelt use is mandated by all vehicle occupants in company vehicles or while driving on company business and the use of handheld devices is prohibited while driving.

Monsanto sites continue to conduct semi-annual unannounced seat belt checks of employees entering the work site —The Click Heard Around the World campaigns. Globally, 94 percent of our employees were observed wearing their seat belts and 97 percent of our employees who commute to work using a motorcycle were observed wearing helmets. In addition, 165 sites were recognized around the world for attaining 100 percent compliance in both categories and were presented with the 100 Percent Compliance Plaque.

Employee Collisions per Million Miles (CPMM)



Internal Monsanto Global Incident Reporting System Data

MONSANTO'S STAKE IN ROAD SAFETY

What began in 2002 as a comprehensive global vehicle safety program for Monsanto's business drivers has broadened in scope, making road safety a component of Monsanto's commitment to corporate social responsibility.

While attention to road safety by most companies stops where their direct influence ends, Monsanto is among a select number of enterprises that understand driving is likely an employee's riskiest daily activity. Monsanto views road safety as an aspect of employee well-being, community outreach and global sustainability.

Monsanto's recognition of road safety as a global imperative is supported by predictions made by the United Nations. From a worldwide perspective and left unchecked, traffic-related crashes, injuries and fatalities will result in significant social and economic costs, especially among low and middle income countries. Annual global traffic-related fatalities are forecast to grow from 1.3 million in 2008 to almost 2 million by 2020. This increase will be accompanied by up to 100 million severe injuries and consume up to 4% of a low income nation's GNP in 2020.

Monsanto has put into practice its commitment to road safety by producing safe driving campaigns for all Monsanto employees, resourcing off-the-job safety, supporting community novice driver training programs and participating in road safety conferences. It also took an important step in 2004 when it became a member of the board of directors of the Network of Employers for Traffic Safety (NETS). This global NGO is a private-public partnership, employer-led, and dedicated to road safety.

In its role as a member of NETS' board of directors, Monsanto saw the need to provide employers with a platform for discussing road safety issues and sharing best practices. To this end, in 2007, Monsanto broadened NETS' capabilities by initiating and providing start-up funding for an annual, comprehensive and global fleet safety benchmark program and benchmark conference. This has proven to be a successful strategic initiative. Since 2007, NETS' benchmark program has more than doubled in size and in 2011 collected and analyzed data from almost 500,000 vehicles driving more than ten billion miles in 128 countries. The benchmark program also yields best practices, which are shared among NETS' members.

Monsanto's road safety metrics make it a leader among the benchmarking companies. The 2010 NETS member crash rate average was 8.08 per million miles. Compared to this 2010

benchmark average, Monsanto's rate of 3.79 resulted in 725 fewer crashes, thus reducing the risk of injury and death to Monsanto's business drivers and providing cost savings of at least US\$11 million.

Through its association with NETS and the success enjoyed by the benchmark program, Monsanto has become involved in two important road safety projects. Monsanto and other NETS members will work with the U.S. National Highway Traffic Safety Administration to develop an employer-led model for increasing seat belt use in the USA. In addition, Monsanto will assist the Inter-American Development Bank (IDB) in a project to improve the safety standards of new cars manufactured in Latin America and the Caribbean.

The IDB project results from NETS' participation in the Decade of Action for Road Safety 2011-2020. This global initiative is under the auspices of the World Health Organization and was formed to slow the growing losses from road crashes, injuries, and fatalities. NETS is a member of the steering committee leading this global initiative. The Decade of Action for Road Safety 2011-2020 provides the framework for Monsanto and other companies to model corporate road safety and to advocate for safer drivers and vehicles, improved roadway infrastructure and capacity, as well as enhanced post-crash care.



Monsanto has been a sponsor of the Troy, Missouri, FFA. In these videos, FFA members learn about seatbelt safety, the importance of seatbelts in rollover accidents, and the dangers of texting and driving.

- Seatbelts: www.youtube.com/watch?v=H_Gsu_xOkE
- Rollovers: www.youtube.com/watch?v=x39iEzJNge4

INJURY AND ILLNESS DATA

GRI LA7 Rates of injury, occupational diseases, lost days, total recordable rate, and total number of work-related fatalities by region and gender.

Absenteeism rate not available

2.1 This indicator should provide a regional breakdown for the following, by gender:

Total Workforce Employees

	SUM OF FEMALE	SUM OF MALE	SUM OF GENDERS
Asia Pacific (N. Asia, PANSEA, India)	447	1,299	1,746
EMEA (Europe, Middle East, Africa)	1,141	2,126	3,267
Latin America North	350	678	1,028
Latin America South	875	2,483	3,358
North America (CA, PR, US)	3,712	7,656	11,368
Grand Total	6,525	14,242	20,767
Employees by Region			Head Count

Note: We do not centrally track contract workers. Our Environmental, Safety & Health Group applies an algorithm to the total number of hours worked by contract workers to derive a Full Time Employee equivalent for OSHA reporting purposes.

2.2 Since some reporting organizations include minor (first-aid level) injuries in their data, indicate whether such injuries are included or excluded.

First aids excluded

2.3 In calculating “lost days,” indicate whether “days” means calendar days or scheduled work days.

Calendar days

The point at which the “lost days” count begins (e.g., the day after the accident or three days after the accident).

One day

2.4 Report regional breakdown and total of injury, occupational diseases and “lost days” in the reporting period by gender, using the following formula:

$$IR = \frac{\text{TOTAL \# of Injuries}}{\text{Total Hours Worked}} \times 200,000$$

$$ODR = \frac{\text{TOTAL \# of Occupational Disease Cases}}{\text{Total Hours Worked}} \times 200,000$$

$$LDR = \frac{\text{TOTAL \# of Lost Days}}{\text{Total Hours Worked}} \times 200,000$$

$$TRR = \frac{\text{TOTAL \# of Injuries + Occupational Diseases}}{\text{Total Hours Worked}} \times 200,000$$

Note: The factor 200,000 is derived from 50 working weeks at 40 hours per 100 employees. By using this factor, the resulting rate is related to the number of employees, not the number of hours.

INJURY AND ILLNESS DATA, *cont.*

2.4 Continued

Employee and Supervised Contractors*

By Region, Illness, Injury, Gender

	INJURY	OCC DISEASES	DAYS AWAY	INJURY & OCC DISEASES
	INJURY RATE (IR)	OCC DISEASE RATE (ODR)	LOST DAYS RATE (LDR)	TOTAL RECORDABLE RATE (TRR)
Asia Pacific (N. Asia, PANSEA, India)	0.47	0.04	0.94	0.51
Recordable Illness (ODR)	0.00	0.04	0.00	0.00
Female	0.00	0.12	0.00	0.50
Male	0.00	0.00	0.00	0.00
Recordable Injury (IR)	0.47	0.00	0.94	0.00
Female	0.37	0.00	1.24	0.50
Male	0.51	0.00	0.80	0.51
EMEA (Europe, Middle East, Africa)	1.24	0.00	13.26	1.24
Recordable Illness (ODR)	0.00	0.00	0.00	0.00
Female	0.00	0.00	0.00	0.00
Male	0.00	0.00	0.00	0.00
Recordable Injury (IR)	1.24	0.00	13.26	1.24
Female	1.43	0.00	6.81	1.43
Male	1.15	0.00	16.21	1.15
Latin America North	0.68	0.21	3.67	0.90
Recordable Illness (ODR)	0.00	0.21	0.55	0.00
Female	0.00	0.27	0.00	1.49
Male	0.00	0.41	0.81	0.62
Recordable Injury (IR)	0.68	0.00	3.12	0.00
Female	1.22	0.00	2.85	1.49
Male	0.44	0.00	3.24	0.62
Latin America South	0.68	0.02	5.15	0.70
Recordable Illness (ODR)	0.00	0.02	0.00	0.00
Female	0.00	0.06	0.00	0.48
Male	0.00	0.00	0.00	0.00
Recordable Injury (IR)	0.68	0.00	5.15	0.00
Female	0.42	0.00	0.48	0.48
Male	0.79	0.00	7.29	0.79
North America (CA, PR, US)	0.74	0.17	3.46	0.91
Recordable Illness (ODR)	0.00	0.17	0.31	0.00
Female	0.00	0.27	0.13	0.96
Male	0.00	0.12	0.40	0.89
Recordable Injury (IR)	0.74	0.00	3.15	0.00
Female	0.69	0.00	3.05	0.96
Male	0.77	0.00	3.19	0.89
Grand Total	0.76	0.12	4.71	0.88

INJURY AND ILLNESS DATA, *cont.*

2.4 Continued

Contractors Not Supervised by Monsanto Employees

By Region, Illness, Injury, Gender

	INJURY	OCC DISEASES	DAYS AWAY	INJURY & OCC DISEASES
	INJURY RATE (IR)	OCC DISEASE RATE (ODR)	LOST DAYS RATE (LDR)	TOTAL RECORDABLE RATE (TRR)
Asia Pacific (N. Asia, PANSEA, India)	0.05	0.00	0.02	0.05
Recordable Illness (ODR)	0.00	0.00	0.00	0.00
Female	0.00	0.00	0.00	0.00
Male	0.00	0.00	0.00	0.00
Recordable Injury (IR)	0.05	0.00	0.02	0.05
Female	0.05	0.00	0.00	0.00
Male	0.04	0.00	0.02	0.00
EMEA (Europe, Middle East, Africa)	0.30	0.00	1.70	0.30
Recordable Illness (ODR)	0.00	0.00	0.00	0.00
Female	0.00	0.00	0.00	0.00
Male	0.00	0.00	0.00	0.00
Recordable Injury (IR)	0.30	0.00	1.70	0.30
Female	0.00	0.00	0.00	0.00
Male	0.96	0.00	5.40	0.00
Latin America North	0.00	0.00	0.00	0.00
Recordable Illness (ODR)	0.00	0.00	0.00	0.00
Female	0.00	0.00	0.00	0.00
Male	0.00	0.00	0.00	0.00
Recordable Injury (IR)	0.00	0.00	0.00	0.00
Female	0.00	0.00	0.00	0.00
Male	0.00	0.00	0.00	0.00
Latin America South	0.04	0.00	0.09	0.04
Recordable Illness (ODR)	0.00	0.00	0.00	0.00
Female	0.00	0.00	0.00	0.00
Male	0.00	0.00	0.00	0.00
Recordable Injury (IR)	0.04	0.00	0.09	0.04
Female	0.03	0.00	0.00	0.00
Male	0.04	0.00	0.13	0.00
North America (CA, PR, US)	0.77	0.22	1.44	0.99
Recordable Illness (ODR)	0.00	0.22	0.13	0.99
Female	0.00	0.49	0.28	0.00
Male	0.00	0.10	0.06	0.00
Recordable Injury (IR)	0.77	0.00	1.30	0.99
Female	0.63	0.00	0.28	0.00
Male	0.84	0.00	1.77	0.00
Grand Total	0.19	0.03	0.38	0.19

INJURY AND ILLNESS DATA, *cont.*

2.5 Report fatalities in the reporting period by gender, using an absolute number, not a rate.

	EMPLOYEES	CONTRACTORS
Female	0	2
Male	0	0

2.6 Report the system of rules applied in recording and reporting accident statistics. The “ILO Code of Practice on Recording and Notification of Occupational Accidents and Diseases” was developed for the reporting, recording, and notification of workplace accidents.

OSHA



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GRI Index

The following content index is provided in accordance with the Global Reporting Initiative (GRI) guidelines. It shows where this report has provided information regarding the GRI indicators. It also shows where this report contains content related to the ten UN Global Compact Principles. This year, we're self-declaring Monsanto at a C-level GRI report. We recognize that our GRI reporting in the coming years will be a journey of continuous improvement.

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STANDARD DISCLOSURES: PROFILE*

1. Strategy and Analysis

STANDARD DISCLOSURES	LINK/PAGE REFERENCE/NOTES	UNGCP**
1.1 Statement from the most senior decision maker of the organization.	Statement from CEO, page 3	
1.2 Description of key impacts, risks, and opportunities.	Commitment to Sustainable Agriculture, pages 38-39	

2. Organizational Profile

STANDARD DISCLOSURES	LINK/PAGE REFERENCE/NOTES	UNGCP**
2.1 Name of the organization.	Monsanto Company	
2.2 Primary brands, products, and/or services.	Company website at www.monsanto.com/products 2011 Form 10-K (pages 7-9) at www.monsanto.com/investors/Documents/Annual%20Report/Monsanto_2011_10-K.pdf	
2.3 Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	2011 Form 10-K (pages 5-7 and Exhibit 21) at www.monsanto.com/investors/Pages/sec_html.aspx?id=0000950123-11-098240&sXbrl=1&compld=122069	
2.4 Location of organization's headquarters.	St. Louis, Missouri, United States	
2.5 Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Company website at www.monsanto.com/whoweare/Pages/our-locations.aspx 2011 Form 10-K (page 14) (Note 27, page 91) at www.monsanto.com/investors/Documents/Annual%20Report/Monsanto_2011_10-K.pdf	
2.6 Nature of ownership and legal form.	Company website at www.monsanto.com/whoweare/Pages/certificate-of-incorporation.aspx	
2.7 Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Company website at www.monsanto.com/whoweare/Pages/our-locations.aspx 2011 Form 10-K (page 14) at www.monsanto.com/investors/Documents/Annual%20Report/Monsanto_2011_10-K.pdf 2011 Form 10-K (Note 27, page 91-92) at www.monsanto.com/investors/Documents/Annual%20Report/Monsanto_2011_10-K.pdf	
2.8 Scale of the reporting organization.	2011 Form 10-K (page 10) at www.monsanto.com/investors/Documents/Annual%20Report/Monsanto_2011_10-K.pdf 2011 Form 10-K (page 44) at www.monsanto.com/investors/Documents/Annual%20Report/Monsanto_2011_10-K.pdf Employee Data, pages 79-80	
2.9 Significant changes during the reporting period regarding size, structure, or ownership.	2011 Form 10-K (page 21-32) at www.monsanto.com/investors/Documents/Annual%20Report/Monsanto_2011_10-K.pdf	
2.10 Awards received in the reporting period.	Monsanto Recognitions, pages 5-8	UN6, page 6

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**United Nations Global Compact Principles

3. Report Parameters

STANDARD DISCLOSURES	LINK/PAGE REFERENCE/NOTES	UNGCP**
3.1 Reporting period (e.g., fiscal/calendar year) for information provided.	Fiscal year 2010 (year ended August 31, 2011), except where noted	
3.2 Date of most recent previous report (if any).	Fiscal year 2007–2009 (years ended August 31, 2011), except where noted	
3.3 Reporting cycle (annual, biennial, etc.)	Annual	
3.4 Contact point for questions regarding the report or its contents.	CSRSReport.team@monsanto.com	
3.5 Process for defining report content.	Iterative, involving senior management Stakeholder Engagement, page 14 2011 Form 10-K (Item 9A, page 96) at www.monsanto.com/investors/Documents/Annual%20Report/Monsanto_2011_10-K.pdf	
3.6 Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	Global owned and leased facilities	
3.7 State any specific limitations on the scope or boundary of the report.	Environmental Performance, pages 58–60	
3.8 Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	We do not anticipate the basis for this initial report to affect comparability for subsequent years.	
3.9 Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	Commitment to Sustainable Agriculture, pages 38–39 Producing More, pages 42–44 Conserving More, page 48	
3.10 Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	There have been no restatements of information provided in earlier reports, as this is our initial GRI report.	
3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	There have been no changes regarding the scope and boundary, as this is our initial GRI report.	
3.12 Table identifying the location of the Standard Disclosures in the report.	GRI Index, pages 89–98	
3.13 Policy and current practice with regard to seeking external assurance for the report.	This report was not externally assured.	

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**United Nations Global Compact Principles

STANDARD DISCLOSURES: PROFILE*, cont.

4. Governance, Commitments and Engagement

STANDARD DISCLOSURES	LINK/PAGE REFERENCE/NOTES	UNGCP**
4.1 Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Company website at www.monsanto.com/whoweare/Pages/corporate-governance.aspx 2011 Proxy Statement (pages 5-23) at www.monsanto.com/investors/Documents/Annual%20Report/Monsanto_2011_Proxy_Statement.pdf	
4.2 Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	Yes. Company website at www.monsanto.com/whoweare/Pages/board-of-directors-leadership-roles.aspx 2011 Proxy Statement (page 8, rationale) at www.monsanto.com/investors/Documents/Annual%20Report/Monsanto_2011_Proxy_Statement.pdf	
4.3 For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	2011 Proxy Statement (pages 6-7, 11 and Appendices A and B) at www.monsanto.com/investors/Documents/Annual%20Report/Monsanto_2011_Proxy_Statement.pdf	
4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Company website at www.monsanto.com/whoweare/Pages/ContactOurDirectors.aspx 2011 Proxy Statement (pages 5, 9-11 and 87-88) at www.monsanto.com/investors/Documents/Annual%20Report/Monsanto_2011_Proxy_Statement.pdf	
4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided.	2011 Form 10-K (Monsanto Code of Ethics for Chief Executive the senior leadership of the finance department, page 96) at www.monsanto.com/investors/Documents/Annual%20Report/Monsanto_2011_10-K.pdf 2011 Proxy Statement (pages 5, 9-11) at www.monsanto.com/investors/Documents/Annual%20Report/Monsanto_2011_Proxy_Statement.pdf	
4.7 Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	2011 Proxy Statement (page 11 and Appendix B) at www.monsanto.com/investors/Documents/Annual%20Report/Monsanto_2011_Proxy_Statement.pdf	
4.9 Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	2011 Proxy Statement (Description of board level Sustainability and Corporate Responsibility Committee, page 20) at www.monsanto.com/investors/Documents/Annual%20Report/Monsanto_2011_Proxy_Statement.pdf	
4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	2011 Proxy Statement (Description of Board Self-Assessment, page 6) at www.monsanto.com/investors/Documents/Annual%20Report/Monsanto_2011_Proxy_Statement.pdf	
4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organization.	As a Member of the UN Global Compact, Monsanto incorporates the precautionary approach in its product planning. See discussion of Principle 7 on page 35.	

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**United Nations Global Compact Principles

4. Governance, Commitments and Engagement, *cont.*

STANDARD DISCLOSURES	LINK/PAGE REFERENCE/NOTES	UNGCP**
4.12 Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Stakeholder Engagement, pages 22–24 Member of the UN Global Compact, pages 33–37	UN7, pages 26–27
4.13 Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization has positions in governance bodies, participates in projects or committees, provides substantive funding beyond routine membership dues or views membership as strategic.	Stakeholder Engagement, pages 22–24 Technology and Business Governance, pages 26–27	UN7, pages 26–27
4.14 List of stakeholder groups engaged by the organization.	Stakeholder Engagement, pages 12, 22–24 Technology and Business Governance, page 34	
4.15 Basis for identification and selection of stakeholders with whom to engage.	Stakeholder Engagement, page 12	
4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Stakeholder Engagement, pages 13–15	
4.17 Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Stakeholder Engagement, page 14	

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**United Nations Global Compact Principles

STANDARD DISCLOSURES: PERFORMANCE INDICATORS*

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Environmental

GRI INDICATOR	LINK/PAGE REFERENCE/NOTES	UNGCP**
Materials		
EN1	Materials used by weight or volume. Partially disclosed. Conserving More, page 60	
Energy		
EN3	Direct energy consumption by primary energy source. Conserving More, pages 58–59	UN7, pages 58–60 UN8, pages 58–60
EN5	Energy saved due to conservation and efficiency improvements. Technology and Business Governance, pages 35–36 Conserving More, page 57	UN7, page 57 UN8, pages 48, 57
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives. Stakeholder Engagement, pages 22–24 Technology and Business Governance, pages 35–36 Producing More, page 46 Conserving More, pages 57–59	UN7, pages 57–61 UN8, pages 46, 57–61 UN9, page 46
EN7	Initiatives to reduce indirect energy consumption and reductions achieved. Technology and Business Governance, pages 35–36	
Water		
EN8	Total water withdrawal by source. Conserving More, pages 58, 60	UN7, pages 58–60 UN8, pages 58–60
Biodiversity		
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas. Partially disclosed. Conserving More, pages 51–54	UN7, pages 51–54 UN8, pages 51–54
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas. Conserving More, pages 51–54	UN7, pages 51–54 UN8, pages 51–54
EN13	Habitats protected or restored. Conserving More, pages 49–54	UN7, pages 51–54 UN8, pages 49–54
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity. Stakeholder Engagement, pages 22–24 Technology and Business Governance, pages 35–36 Conserving More, pages 49–54	UN7, pages 51–54 UN8, pages 49–54

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Environmental, *cont.*

GRI INDICATOR	LINK/PAGE REFERENCE/NOTES	UNGCP**	
Emissions, Effluents and Waste			
EN 16	Total direct and indirect greenhouse gas emissions by weight.	Conserving More, pages 58-59	UN7, pages 58-60 UN8, pages 58-60
EN 18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Technology and Business Governance, pages 35-36 Commitment to Sustainable Agriculture, page 39	UN1, page 39 UN8, pages 39, 48 UN9, page 39
EN 20	NO, SO, and other significant air emissions by type and weight.	Partially disclosed. Conserving More, page 60	
EN 21	Total water discharge by quality and destination.	Partially disclosed. Conserving More, page 59	
EN 22	Total weight of waste by type and disposal method.	Partially disclosed. Conserving More, page 59	
EN 23	Total number and volume of significant spills.	Conserving More, page 61	
Products and Services			
EN 26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Stakeholder Engagement, pages 12, 22-24 Technology and Business Governance, pages 35-36 Producing More, page 46 Conserving More, pages 55-56	UN7, pages 55-56 UN8, pages 41, 46, 48, 50, 55-56 UN9, pages 41, 46
Compliance			
EN 28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.	Conserving More, page 61	

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STANDARD DISCLOSURES: PERFORMANCE INDICATORS*, *cont.*

Human Rights

GRI INDICATOR		LINK/PAGE REFERENCE/NOTES	UNGCP**
Investment and Procurement Practices			
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	Technology and Business Governance, page 33 Improving Lives, pages 64-68	UN1, pages 64-68 UN2, page 65
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	Partially disclosed. Technology and Business Governance, page 33 Improving Lives, pages 64-68	UN1, pages 64-68
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Technology and Business Governance, pages 31, 33 Improving Lives, pages 64-68	UN1, pages 64-68
Non-Discrimination			
HR4	Total number of incidents of discrimination and corrective actions taken.	Partially disclosed. Technology and Business Governance, page 33 Improving Lives, pages 65, 67-68	UN6, page 65
Freedom Of Association and Collective Bargaining			
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	Technology and Business Governance, page 33 Improving Lives, page 65	UN3, page 65
Child Labor			
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	Technology and Business Governance, page 33 Improving Lives, pages 64-68	UN1, pages 64-68 UN5, pages 67-68
Forced and Compulsory Labor			
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	Technology and Business Governance, page 33 Improving Lives, page 64-68	UN1, pages 64-68 UN4, page 65
Security Practices			
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Improving Lives, page 64-68	UN1, pages 64-68
Assessment			
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	Improving Lives, page 64-68	UN1, pages 64-68

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STANDARD DISCLOSURES: PERFORMANCE INDICATORS*, *cont.*

Labor Practices and Decent Work

GRI INDICATOR	LINK/PAGE REFERENCE/NOTES	UNGCP**	
Employment			
LA1	Total workforce by employment type, employment contract, and region, broken down by gender	Partially disclosed. Improving Lives, page 79	
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Partially disclosed. Improving Lives, pages 79–80	
Occupational Health and Safety			
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region and by gender.	Partially disclosed. Technology and Business Governance, page 34 Improving Lives, pages 81–88	UN1, pages 81–83
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Improving Lives, pages 68, 81–84	UN1, pages 68, 81–83
Training and Education			
LA10	Average hours of training per year per employee by gender, and by employee category.	Partially disclosed. Stakeholder Engagement, pages 16–17 Technology and Business Governance, page 31 Improving Lives, pages 64–68	UN1, pages 64–68
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Partially disclosed. Stakeholder Engagement, page 12	
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	Partially disclosed. Improving Lives, page 80	
Diversity and Equal Opportunity			
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Partially disclosed. Improving Lives, page 80	UN6, pages 69–71

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STANDARD DISCLOSURES: PERFORMANCE INDICATORS*, *cont.*

Society

GRI INDICATOR	LINK/PAGE REFERENCE/NOTES	UNGCP**
Employment		
SO1 Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Partially disclosed. Stakeholder Engagement, pages 12, 19, 22–24 Producing More, page 45 Improving Lives, page 68	UN1, page 68 UN8, page 45 UN9, page 45
SO10 Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Technology and Business Governance, pages 31, 34 Commitment to Sustainable Agriculture, page 39 Producing More, page 46 Conserving More, page 48 Improving Lives, pages 81–84	UN1, pages 39, 81–83 UN8, pages 39, 46, 48 UN9, pages 39, 46
Corruption		
SO2 Percentage and total number of business units analyzed for risks related to corruption.	Technology and Business Governance, pages 31–32, 37	UN10, pages 31–32
SO3 Percentage of employees trained in organization's anti-corruption policies and procedures.	Technology and Business Governance, pages 31–32, 37	UN10, pages 31–32
SO4 Actions taken in response to incidents of corruption.	Technology and Business Governance, page 37	
Public Policy		
SO5 Public policy positions and participation in public policy development and lobbying.	Stakeholder Engagement, page 12 www.monsanto.com/whoweare/Pages/political-disclosures.aspx	UN10, page 12

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STANDARD DISCLOSURES: PERFORMANCE INDICATORS*, cont.

Product Responsibility

GRI INDICATOR	LINK/PAGE REFERENCE/NOTES	UNGCP**	
Customer Health and Safety			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Stakeholder Engagement, page 12 Technology and Business Governance, pages 26–28, 35–36 Conserving More, page 57	UN7, pages 26–27, 57 UN8, page 57
Product and Service Labeling			
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Technology and Business Governance, pages 28, 35–36 Improving Lives, pages 73–74	
Marketing Communications			
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Technology and Business Governance, pages 26–28	UN7, pages 26–27

Economic

GRI INDICATOR	LINK/PAGE REFERENCE/NOTES	UNGCP**	
Economic Performance			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	2011 Form 10-K (pages 44–96) at www.monsanto.com/investors/Documents/Annual%20Report/Monsanto_2011_10-K.pdf	
EC3	Coverage of the organization's defined benefit plan obligations.	2011 Form 10-K (Note 18) at www.monsanto.com/investors/Documents/Annual%20Report/Monsanto_2011_10-K.pdf 2011 Proxy Statement (pages 62–65) at www.monsanto.com/investors/Documents/Annual%20Report/Monsanto_2011_Proxy_Statement.pdf	
Indirect Economic Impacts			
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in kind, or pro bono engagement.	Stakeholder Engagement, pages 19–20, 22–24 Producing More, page 45 Improving Lives, pages 68 and 75–78	UN1, page 68 UN8, page 45 UN9, page 45
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Improving Lives, page 63	

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Statement GRI Application Level Check

GRI hereby states that **Monsanto Company** has presented its report "2011 Corporate Social Responsibility and Sustainability Report" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level C.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 28 June 2012

A handwritten signature in blue ink, appearing to read "Nelmara Arbex", is written over a large, faint watermark of the GRI globe logo.

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 21 June 2012. GRI explicitly excludes the statement being applied to any later changes to such material.

MONSANTO



We welcome your feedback
on our commitment to
be a more sustainable and
socially responsible company.

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