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Dear CEO,

As shareowners representing more than \$1 trillion in total assets under management, we believe the long-term sustainability of our portfolio companies is tied to the incorporation of environmental, social, and governance considerations into business decision-making and communication strategies. We are writing, therefore, to encourage your management team and Board of Directors to address sustainability issues across your organization, which can enhance long-term company and shareholder value, and to consider the enclosed Ceres Roadmap for Sustainability as an implementation tool.

Globally, investor attention on corporate governance and accountability issues continues to increase, with the recent collapse of the financial markets and several consecutive disasters such as the BP oil spill and Massey Energy coal mine collapse. Environmental and social sustainability issues can no longer be considered off-balance sheet issues. Rather they are material, financial issues posing both risks and opportunities to the long-term success of corporations.

This recognition has spurred shareowner demand for enhanced disclosure of all material business risks having the potential to directly affect both short- and long-term financial performance, including risks posed by climate change, water scarcity, human rights, employee health and safety, and other sustainability issues. Many companies have responded positively to this new reality, expanding their reporting and overall transparency, as well as establishing new governance structures (for example risk committees).

To help meet this demand, Ceres—which has worked with investors and companies on sustainability issues for more than 20 years—developed its Roadmap for Sustainability. The Roadmap is a practical guide detailing key expectations that every company should strive to meet by 2020, in order to be best positioned to thrive in an increasingly competitive and resource constrained global economy. Recognizing that many companies have already embarked on this journey, while others are just getting started, the Roadmap is designed to demonstrate what is possible now and what is needed in the future, making it applicable to both new and current reporters: <http://www.ceres.org/ceresroadmap>.

Addressing issues of governance, stakeholder engagement, disclosure, and performance, the Roadmap provides a flexible framework companies can use to develop comprehensive

strategies and actions to imbed sustainability into their corporate accountability systems, and to help realize both cost savings and revenue generation opportunities. The Roadmap also details strategies and results from companies taking on these challenges, and provides a robust platform for accelerating best practices and performance for companies at all stages of the journey toward sustainability.

- **Governance.** We seek board oversight and executive accountability for sustainability strategies and performance, as well as integration of sustainability considerations into risk management systems;
- **Stakeholder engagement.** We encourage substantive engagement with a diverse group of stakeholders, as well as incorporation of material sustainability risks into investor communications and annual meetings;
- **Disclosure.** We support balanced reporting of measurable performance data, targets, and goals, as well as integration of material sustainability issues and opportunities into financial filings and reports; and
- **Performance.** We look for alignment of sustainability considerations with supplier standards and performance expectations, as well as measurable improvements in areas such as GHG emissions, energy efficiency, water management, and human rights, including worker safety. This is critical for ensuring the effectiveness of sustainability practices.

As shareowners, we believe companies should be open and transparent with stakeholders on all material issues, including those often hidden environmental, social, and governance risks. We encourage you not only to design and implement a robust sustainability strategy, but also to demonstrate to shareowners and other stakeholders how effectively you are managing sustainability risks and opportunities.

We ask that you use your standard investor communication vehicles—analyst calls, road shows, annual meetings—to highlight actions you are taking to address material sustainability risks and transform them into competitive opportunities.

We look forward to learning about steps you are taking in this area. Please direct responses, as well as any questions or comments, to Amy D. Augustine, Director, Corporate Program at Ceres via email at augustine@ceres.org or telephone at 617.247.0700, x156.

Sincerely,

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