

VIRIDIS CONSULTING

<u>Team Member Name</u>	<u>Year</u>	<u>Major</u>
Member 1: Adriana Iribarren Mateos	Senior	Business
Member 2: Rafael Pampillón Albert	Senior	Economics
Member 3: Gustavo González de la Peña	Senior	Economics
Member 4: Rebeca Hitos de Lorenzo	Senior	Business

Advisor(s): Professor Ignacio Ferrero Muñoz

Topic Title: Bayer and Monsanto. The Risky Business of Turning a Blind Eye

Audience: Board of Directors of Bayer AG

Sustainable Development Goal

SDG #3: Good health and well-being

SDG #6: Clean water and sanitation

SDG #12: Responsible consumption and production

SDG #15: Life on Land

Executive Summary

In 1976, the US company Monsanto Co. launched Roundup, a non-systemic herbicide based on glyphosate, which became the best-selling product in its portfolio and one of the best-selling herbicides in the world. In May 2016 Bayer AG made an initial offer to Monsanto Co. of \$122 per share. In January of the same year, Mr. Johnson, a school groundskeeper in Benicia (California) sued Monsanto in San Francisco Superior Court, alleging that its Roundup product was carcinogenic.

Bayer has asked us to analyze the ethical, legal and economic implications of the possible acquisition of Monsanto, keeping in mind that we are at a time of uncertainty about the health effects of their flagship product, the herbicide Roundup.

It is clear that a private company like Bayer has to be very aware of the ethical and social implications of each and every one of its actions. That is why decisions as important as the purchase of Monsanto are analyzed in depth by the Board of Directors. It is compelling to consider how, despite being aware that at the time there were a large number of lawsuits against Monsanto's "Roundup" pesticide and its possible economic implications, as well as the bad image that Bayern could reflect to stakeholders (internal and external), etc. Bayer continued to consider the purchase of Monsanto.

We will focus on the legal, economic and ethical arguments why we believe the merger with Monsanto should be either conditioned to certain constraints, or it shouldn't proceed at all.