



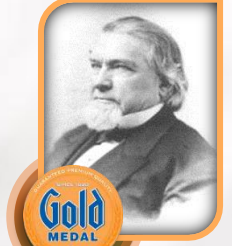
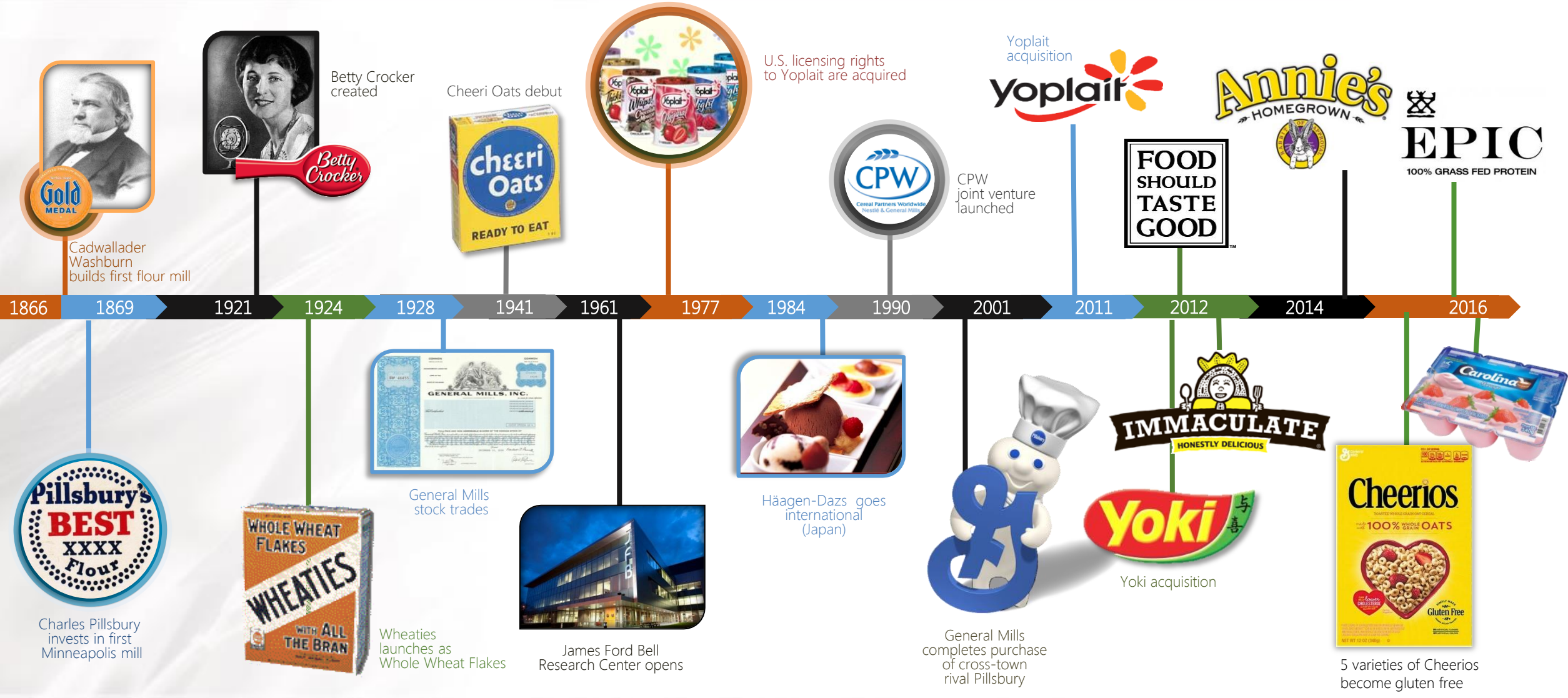
Sustainability as a Market Driver

Katrina Heinze
January 7, 2017

Our Brands



Our Legacy: 150 Years of Making Food People Love



Cadwallader Washburn builds first flour mill



Betty Crocker created



Cheeri Oats debut



U.S. licensing rights to Yoplait are acquired



CPW joint venture launched



Yoplait acquisition



FOOD SHOULD TASTE GOOD™



Charles Pillsbury invests in first Minneapolis mill



Wheaties launches as Whole Wheat Flakes



General Mills stock trades



James Ford Bell Research Center opens



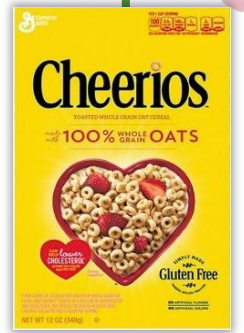
Häagen-Dazs goes international (Japan)



General Mills completes purchase of cross-town rival Pillsbury



Yoki acquisition

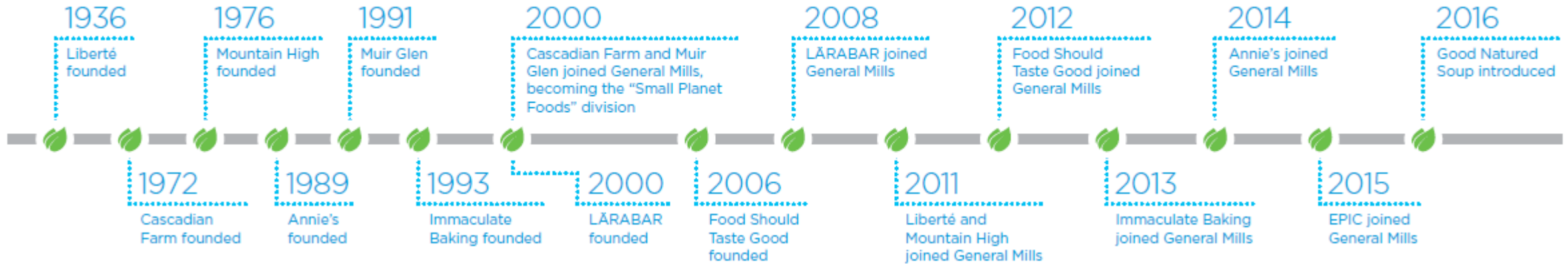


5 varieties of Cheerios become gluten free



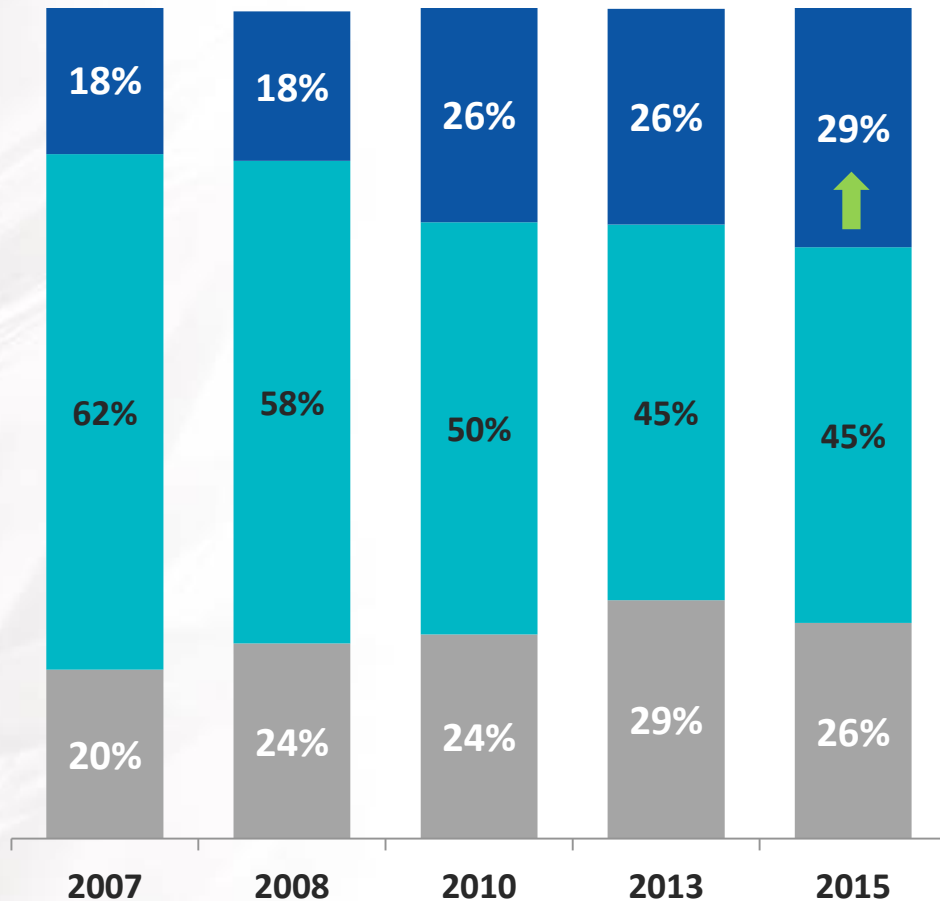
General Mills Natural & Organic Portfolio

Our natural and organic journey



Our Consumers Are Paying More Attention

Frequency That Purchase Decisions Are Based on Environmental and Social Concerns



Frequent purchasers of sustainable products are more likely to be:

- Core 64%
- Millennials 42%
- Hispanic 50%
- Income \$100K+ 41%
- College graduate+ 37%

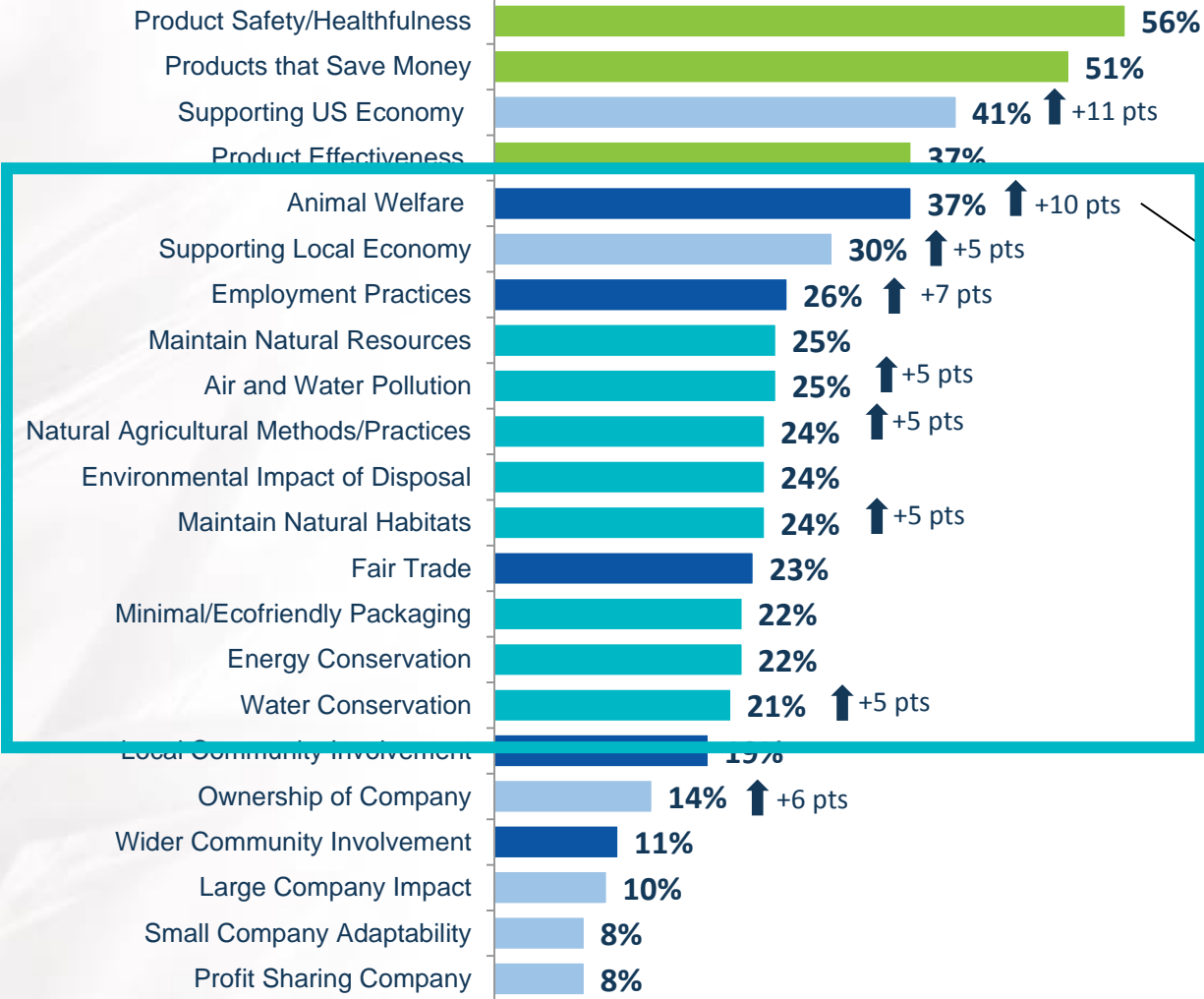
■ Usually/Always
 ■ Sometimes
 ■ Rarely/Never

↑ Significant change since 2007/2008

Q9. How often are your purchasing decisions based upon your concerns for issues such as the environment and social well-being?
 Base: All consumers - 2007 (n=1,606), 2008 (n=1,856), 2010 (n=1,982), 2013 (n=1,841), 2015 (1,779).

Consumers Show Increased Interest in Social and Environmental Attributes

Importance of Food & Beverage Attributes

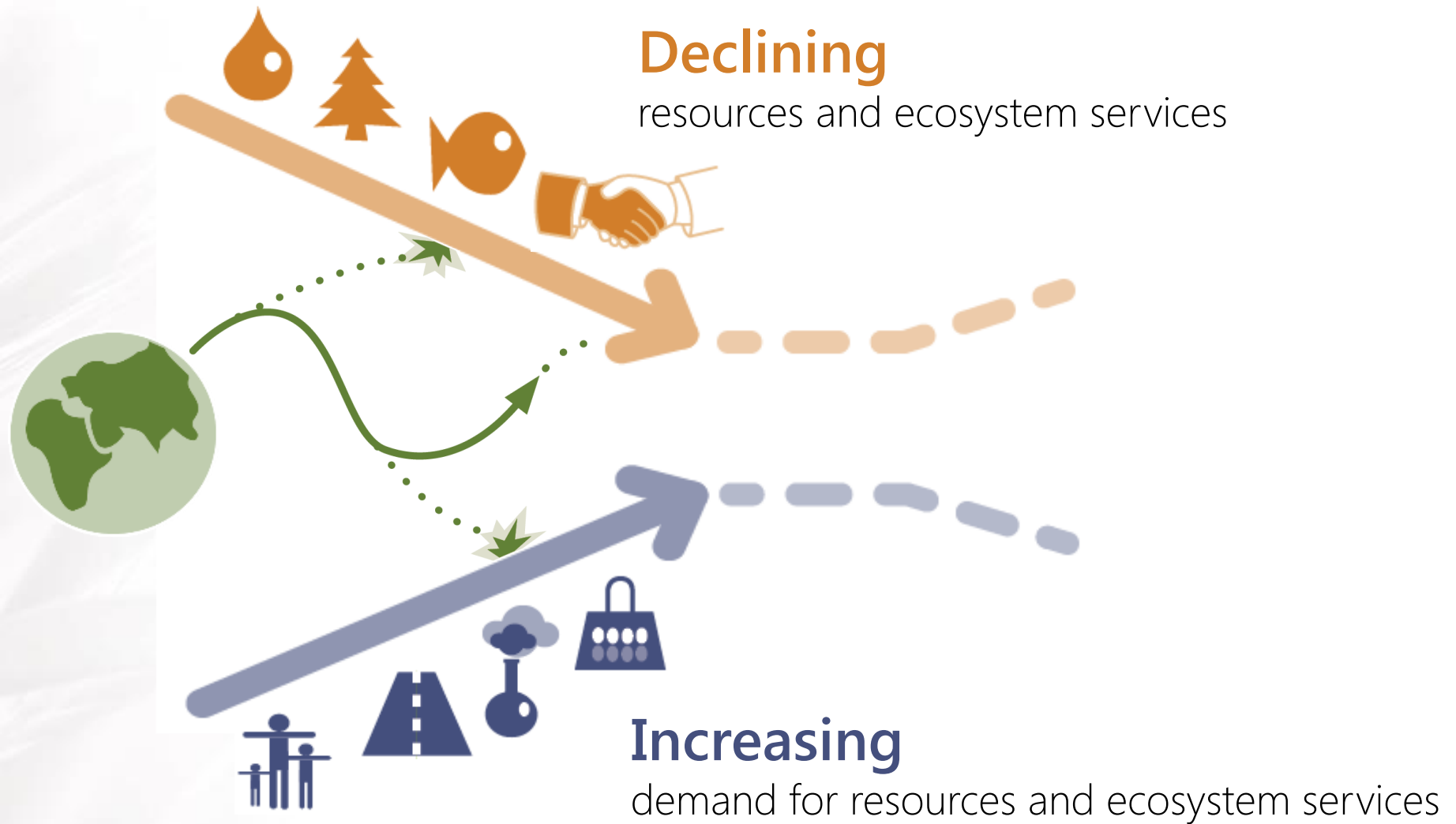


Several areas are becoming increasingly important to consumers. Among them, Animal Welfare is up +10 points and Employment practices is up +7.

- Personal Benefit Zone
- Social Zone
- Economic Zone
- Environmental Zone
- ↑ Significant increase over 2013 at 95% CL

Q43. Of the following attributes, which are the most IMPORTANT to you when deciding which FOODS AND BEVERAGES to purchase? Select all that apply
 Base: Significant shoppers: 2013 (n=1,673); 2015 (n=1,701).

Sustainability Imperative



Drivers of Food Sustainability

The Sustainability Landscape



A growing middle class will add to the **9.6 Billion People** estimated by 2050

50-70%
in middle class



Purchasing **more** protein rich foods



doubling agricultural output



facing a **changing** climate



decreased rainfall



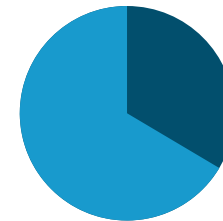
extreme weather patterns



70%
fresh water used



37%
of land use



1/3
edible food
lost or wasted



We serve the **WORLD** by making
FOOD people **LOVE**



**HEALTHY
WATERSHEDS**



**STABLE
CLIMATE**



**STRONG
ECOSYSTEMS**



Treat the
WORLD
with **CARE.**

Strong Ecosystems



Soil Health



Pollinators & Biodiversity



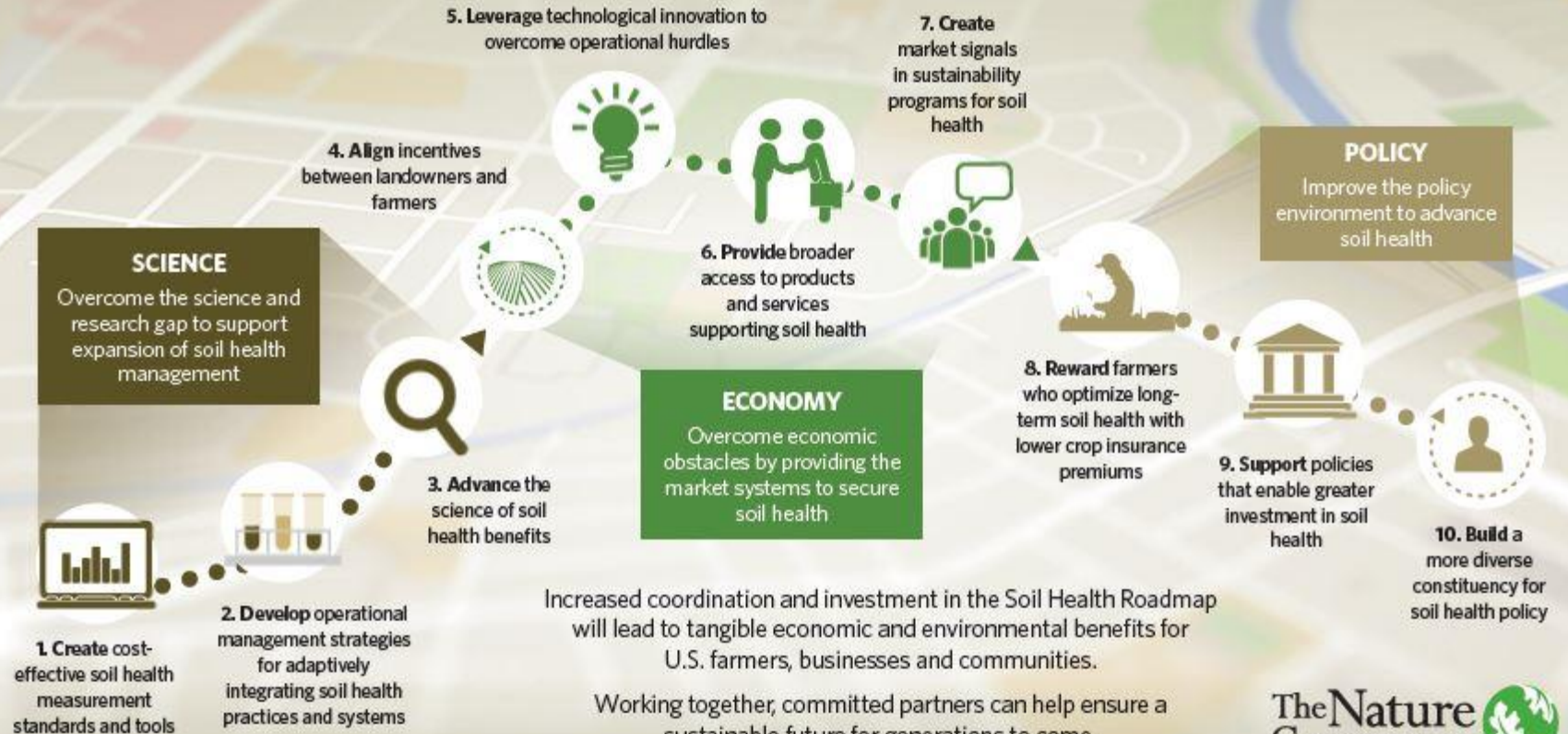
Integrated Pest Management



Organic Farmland

reThink Soil

A Roadmap to U.S. Soil Health



Visit [nature.org/soil](https://www.nature.org/soil) or email soil@tnc.org.

The Nature Conservancy 

Pollinators & Biodiversity



AN AVERAGE OF 30% OF HONEYBEES have died every winter since 2006 due to habitat loss and disease.



OVER 100 TYPES OF US CROPS are pollinated by honeybees and native pollinators each year, valued at nearly \$15 billion.

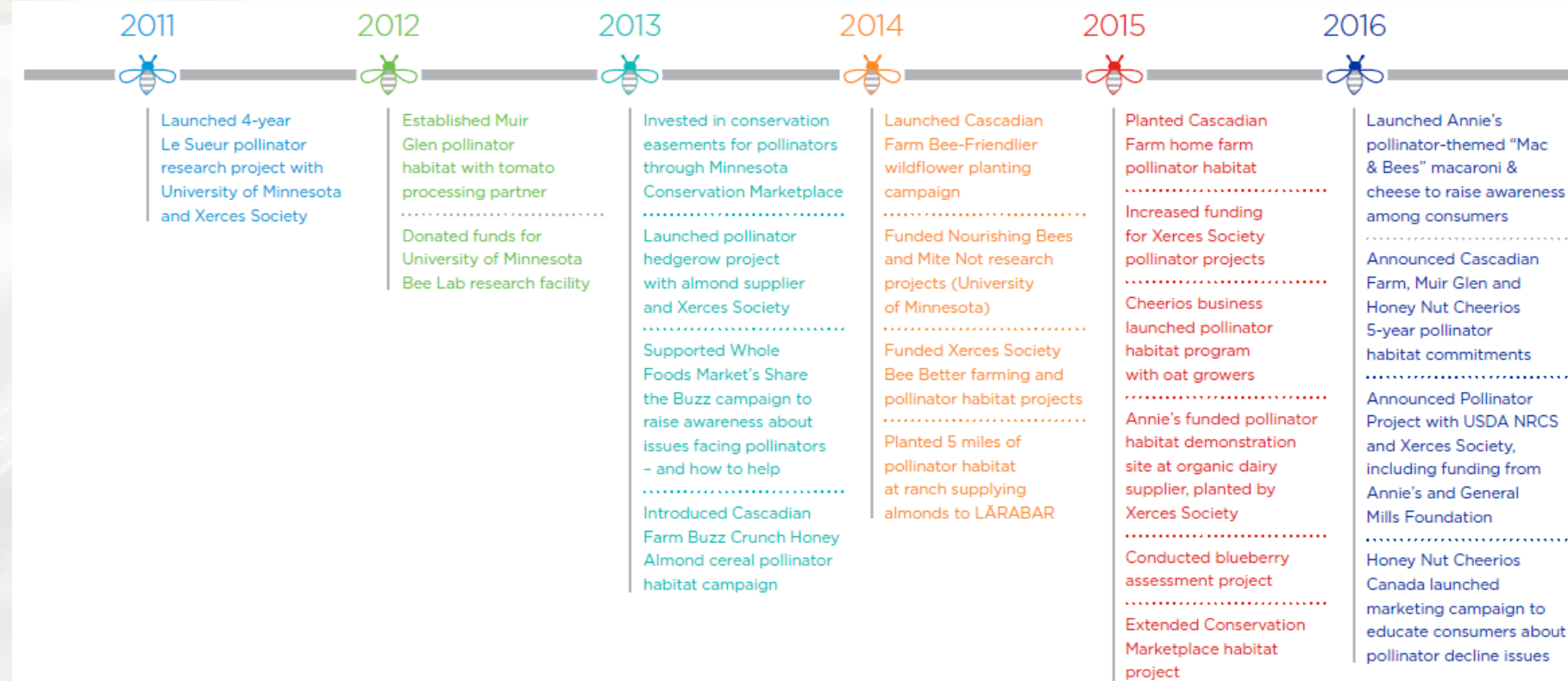
Habitat Is the Answer

“The best way to really help bees is to provide them really good nutrition and places where they can forage and nesting sites where they can live,” says Dr. Marla Spivak, professor and entomology and bee researcher at the University of Minnesota.

- 4000+ Native bee species in North America
- Billions of dollars in free pollination annually
- Wild bees increase pollination significantly in **all** crops
- Honey bees also need habitat
- Diverse wildflower diets enhance honey bee disease resistance



Pollinators \$6 million invested since 2011 to support pollinator and biodiversity efforts



Through 2021, USDA and General Mills will contribute **\$4 million** to create more pollinator habitat



Our brands have committed to creating **11,000 + acres of habitat** on US farmland within our supply chain

In 2016, we supported research at the University of Minnesota Bee Lab with a **\$100,000 grant**





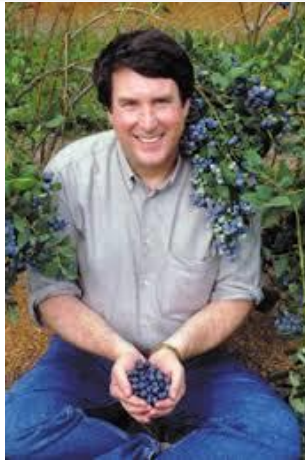
Kernza® perennial grain (intermediate wheatgrass)

- Our Commitment
 - Purchase an initial amount of the perennial grain to enable farmers to plant on commercial-scale fields
 - Plant a test plot on Cascadian Farm home farm (Eastern Skagit County, WA)
 - Summer 2018 cereal or snack product
 - Continued partnership & commercialization



Cascadian Farm's Heritage Is Rooted in Leading the Organic Movement

GENE KAHN'S VISION



- *Intrigued by the fragile balance between nature and humans...he wanted to grow crops in a way that would not harm the land*
- *Gene's method was to work in harmony with nature, preserving the soil and protecting the rivers and streams around the farm*
- *"...probably has done as much as anyone to move organic food into the mainstream, getting it out of the food co-op and into the supermarket"*

A HISTORY OF ORGANIC LEADERSHIP



1972

Cascadian Farm founded by Gene Kahn in rural Skagit Valley, Washington

Found use for berries with short shelf life; started freezing in 5 gallon tubs

1970s



1980s

Partners to grow 300 acres of farm land. Launched fruit spreads, pickles, IQF fruit and veggies and fruit sorbet into national markets

Shaped by Gene Kahn, the Organic Foods Production act passed by Congress (1990 Farm Bill)

1990



2000

GMI Acquisition





Back-Up



I treat the world with care when I...

General Mills' Climate Ambition



 **OUR GOAL:**
REDUCE
GREENHOUSE GAS
EMISSIONS

28
%

ACROSS OUR ENTIRE VALUE CHAIN

OVER THE NEXT

8
YEARS



& **50-70%** REDUCTION BY **2050**

UPSTREAM



48%



PACKAGING

oil for plastic, trees for paper and conversion to packaging purchased by General Mills

9%



SHIPPING

getting materials to our manufacturing facilities

1.5%



PRODUCING

production of goods and equipment, operation of facilities, and treatment of waste from facilities

11%



SHIPPING

delivery to distribution centers and customer warehouses

4.5%



SELLING

business travel, sales fleet, and employee commuting and refrigerated and frozen storage at retail stores

7%



CONSUMING

consumers' transport to retail, home storage, cooking, and the impact of packaging and food waste

19%

GENERAL MILLS

DOWNSTREAM

Sustainable Sourcing



Palm Oil
100%



Fiber Packaging
99%



US Wheat
36%



Oats
50%



US Corn
33%



Dairy
38%



Sugarcane
67%



US Sugar Beets
68%



Cocoa
46%



Vanilla
22%



Strategies vary by ingredients



Sustainable sourcing engagement strategies



Origin-direct investment

We invest directly at the origin for crops like vanilla and cocoa to improve smallholder farmer livelihoods and ingredient quality.



Continuous improvement

We advance the sustainability of dairy and row crops by engaging with farmers to reduce the environmental impact of agriculture. We ensure sustainable sourcing of these commodities by documenting continuous improvement over time.



Verification

We increase the sustainability of palm oil, fiber packaging and sugarcane by working across the industry to improve practices. We verify progress by purchasing certified sustainable raw materials or completing independent verification in high-risk regions.



Cocoa



Oats

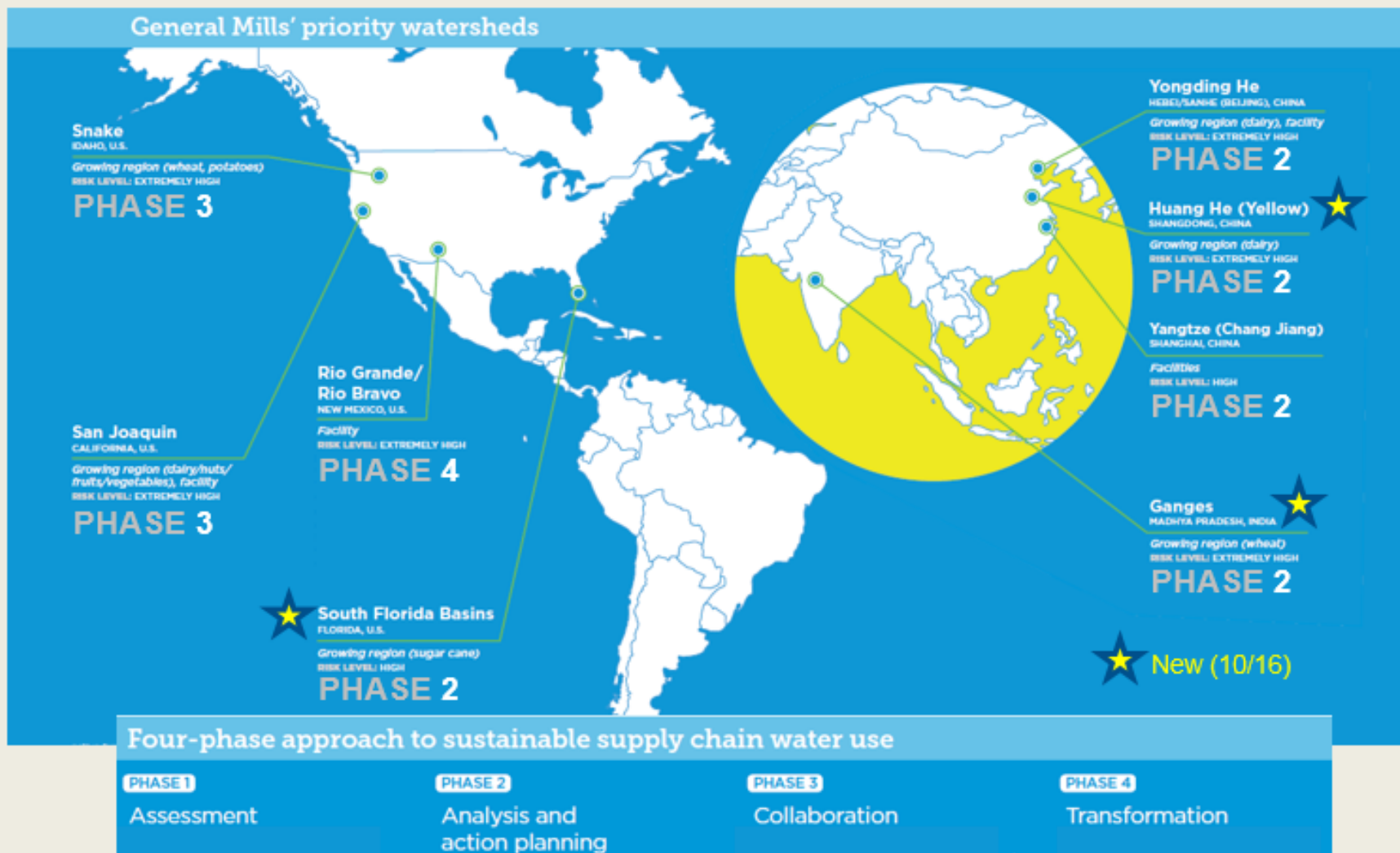


Palm Oil

Collaborating to improve global water stewardship



We're committed to improving the sustainability of water use throughout our supply chain.



Advancing socially responsible supply chains



The screenshot shows the General Mills website header with the logo and navigation menu (COMPANY, BRANDS, CAREERS, RESPONSIBILITY, HEALTH, INVESTORS, NEWS). Below the header is a banner image of a modern building. A 'NEWS' sidebar on the left lists: Awards, Blog, History on tumblr, Issues, My Story, News Releases, and Publications. The main content area features the article 'Policy on human rights' dated May 2015. The article title is in large blue font. Below the title is the word 'Overview' and a paragraph: 'We believe that societies, economies and businesses thrive when human rights are protected and respected.' A second paragraph follows: 'Respect for human rights is fundamental to our purpose of serving the world by making food people love and to our commitment to ethical business conduct. Through this statement, we seek to clearly articulate our commitment and approach to human rights.'

