



Sustainability as a Market Driver

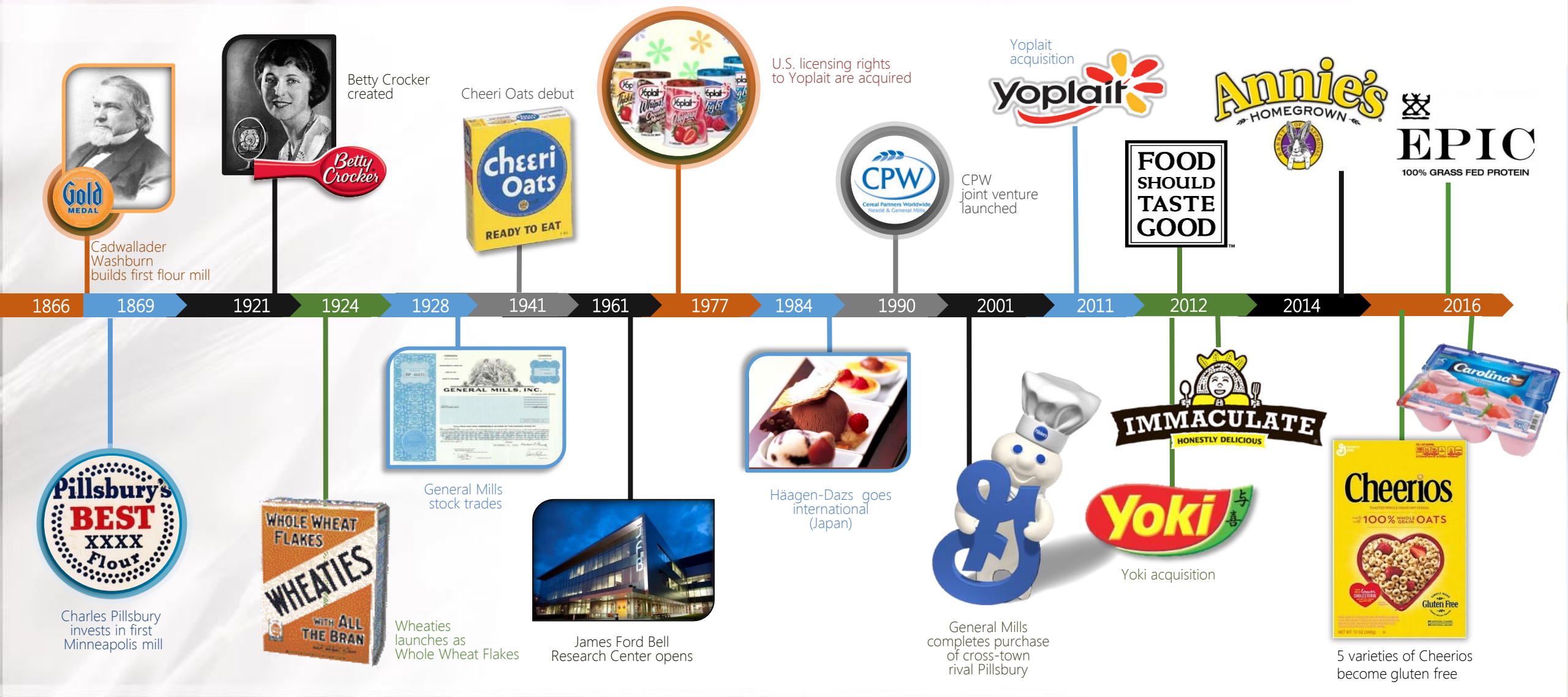
Katrina Heinze
January 7, 2017



Our Brands



Our Legacy: 150 Years of Making Food People Love

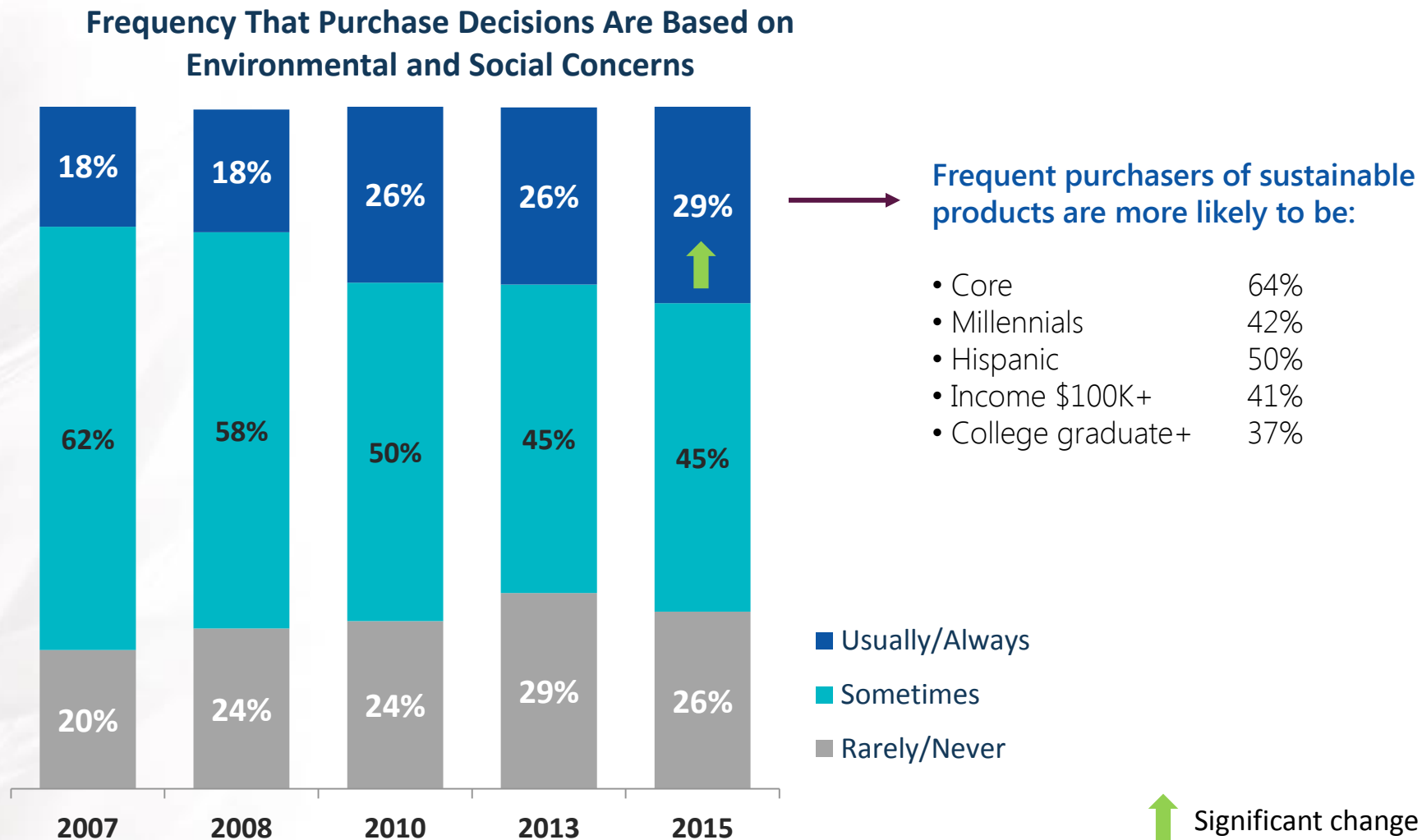


General Mills Natural & Organic Portfolio

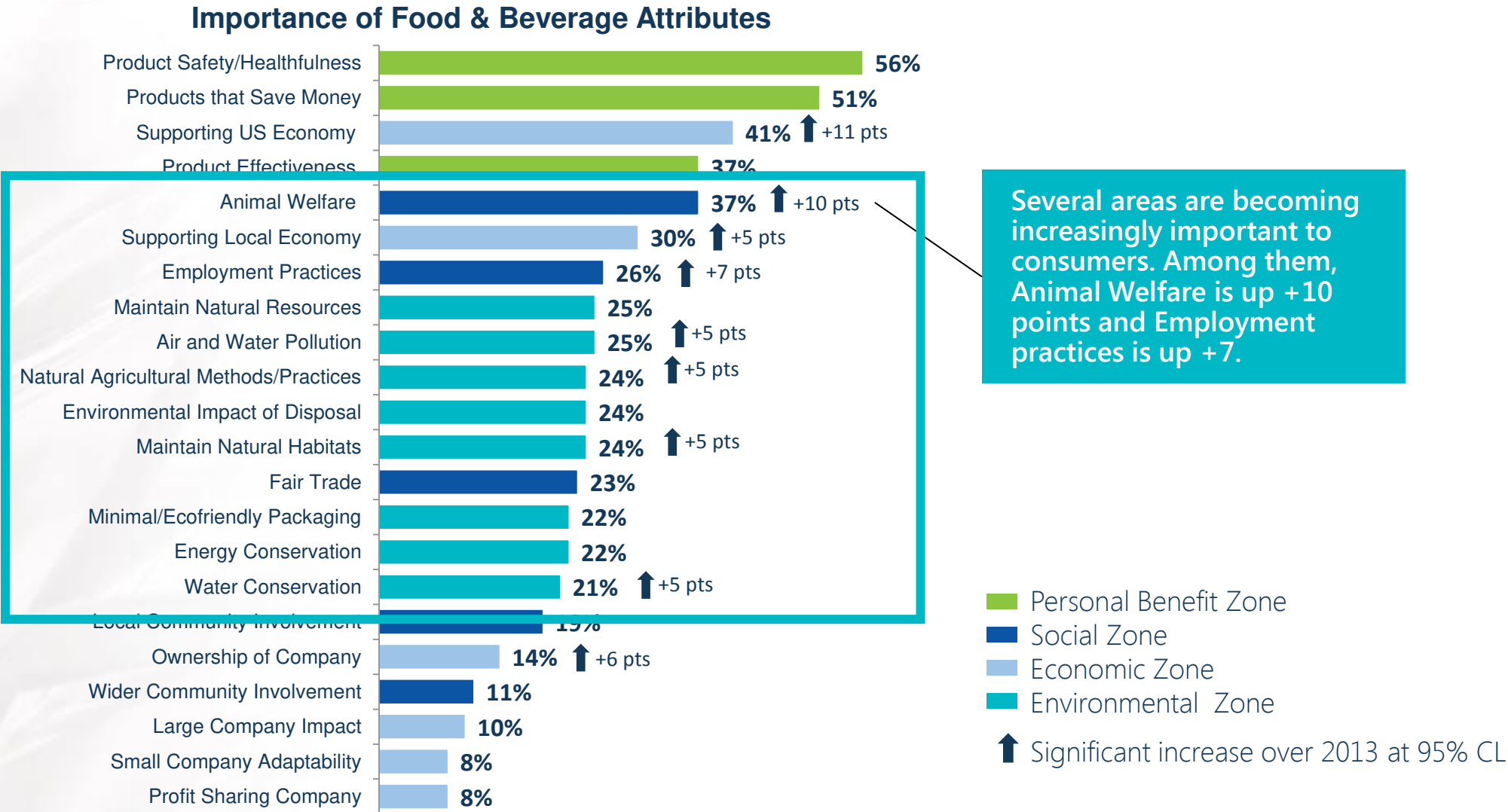
Our natural and organic journey



Our Consumers Are Paying More Attention

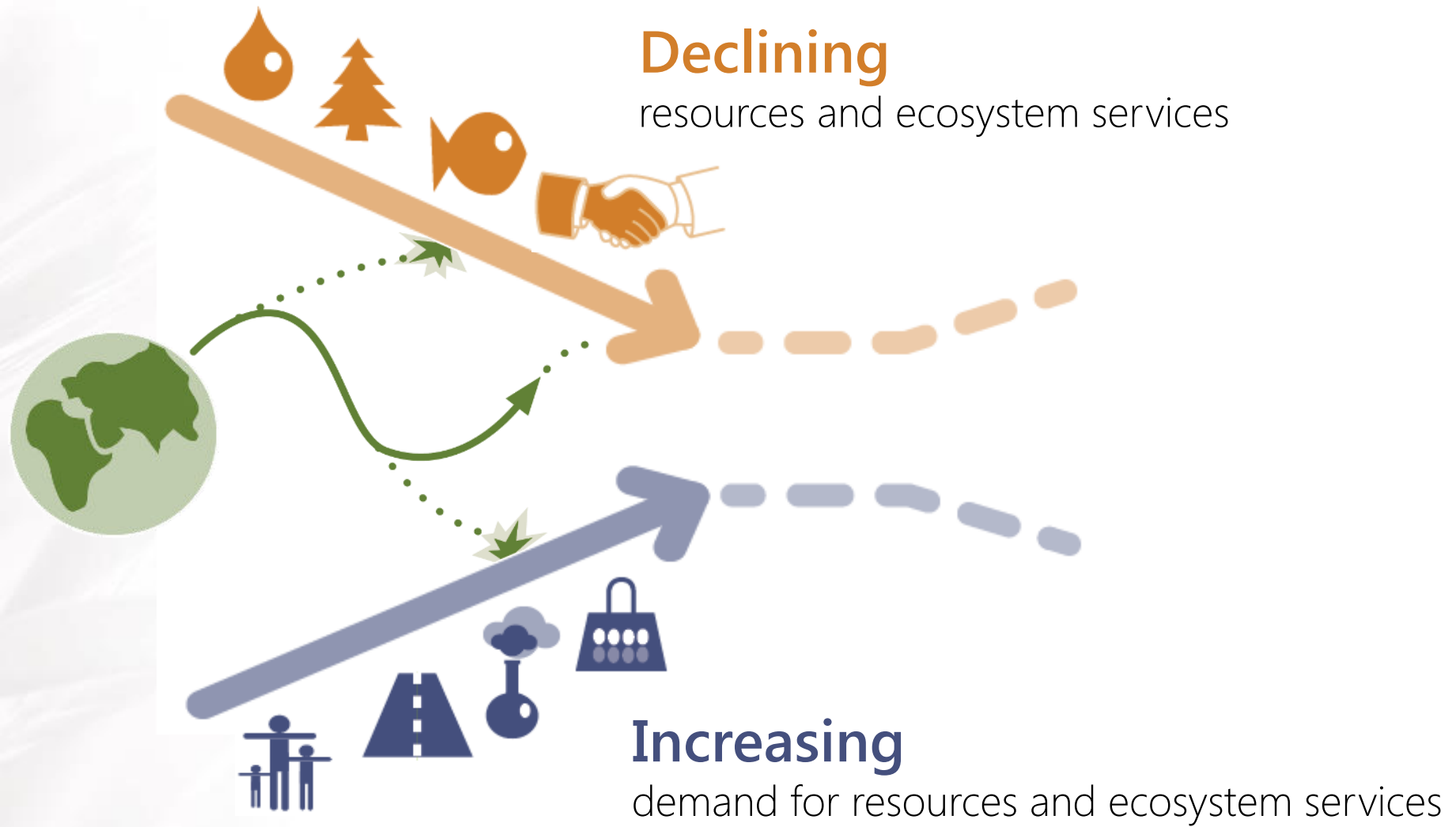


Consumers Show Increased Interest in Social and Environmental Attributes



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



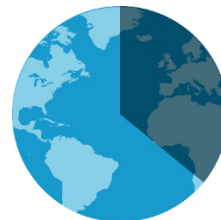
decreased
rainfall



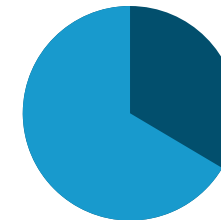
extreme
weather patterns



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



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.

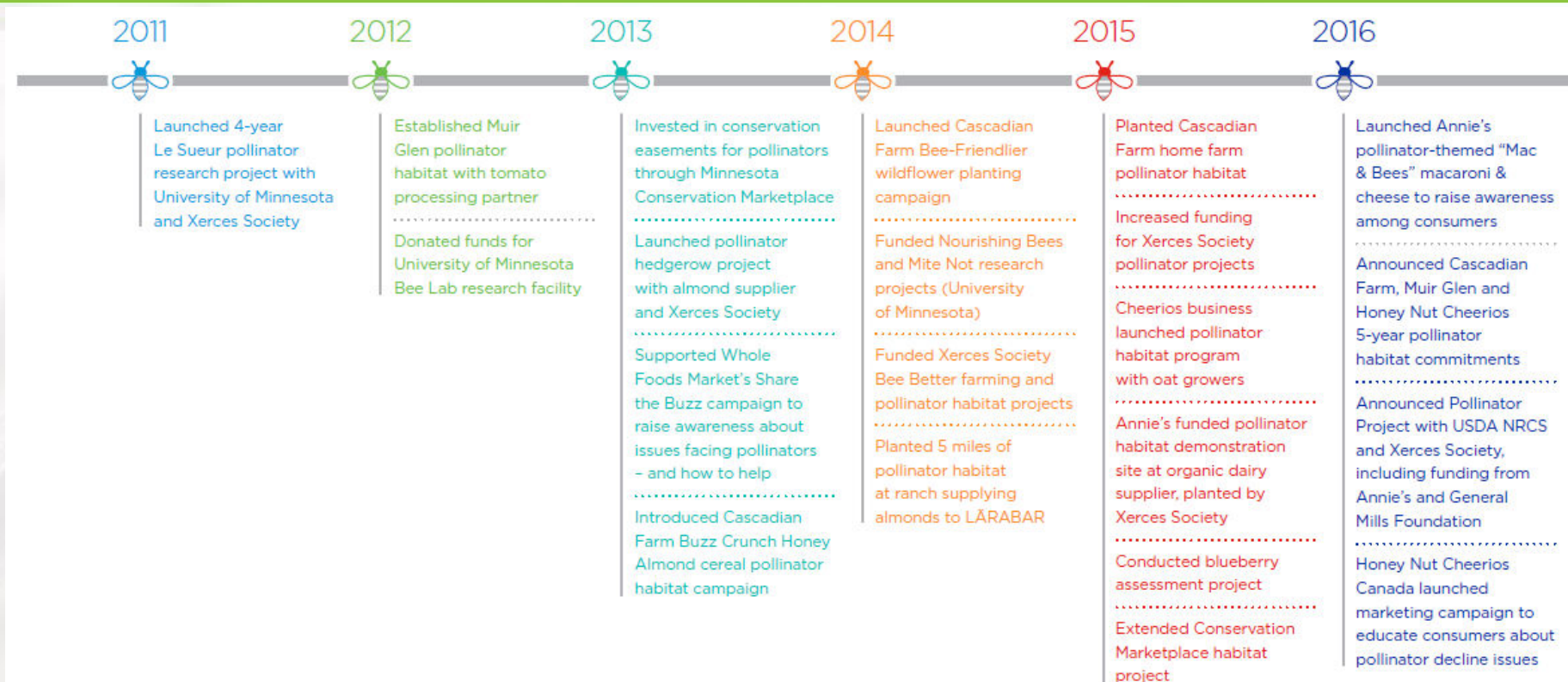
Habitat Is the Answer

“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**





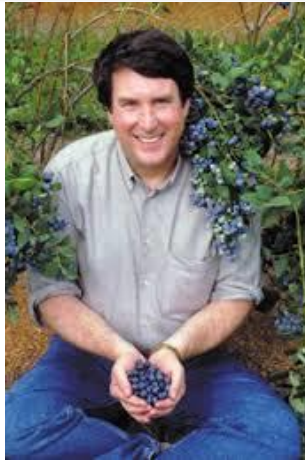
Kernza® perennial grain (intermediate wheatgrass)

- 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



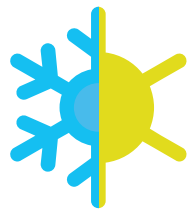



Back-Up



I treat the world with care when I...

General Mills' Climate Ambition







OUR GOAL:
REDUCE
GREENHOUSE GAS
EMISSIONS

28%


ACROSS OUR ENTIRE VALUE CHAIN

**farm**

TO

**fork**

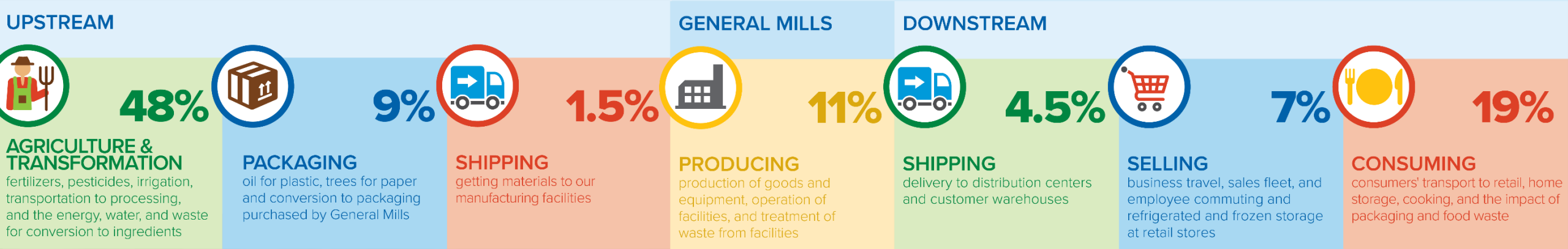
TO

**landfill**

OVER THE NEXT
8
YEARS

&

50-70% REDUCTION BY **2050**



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

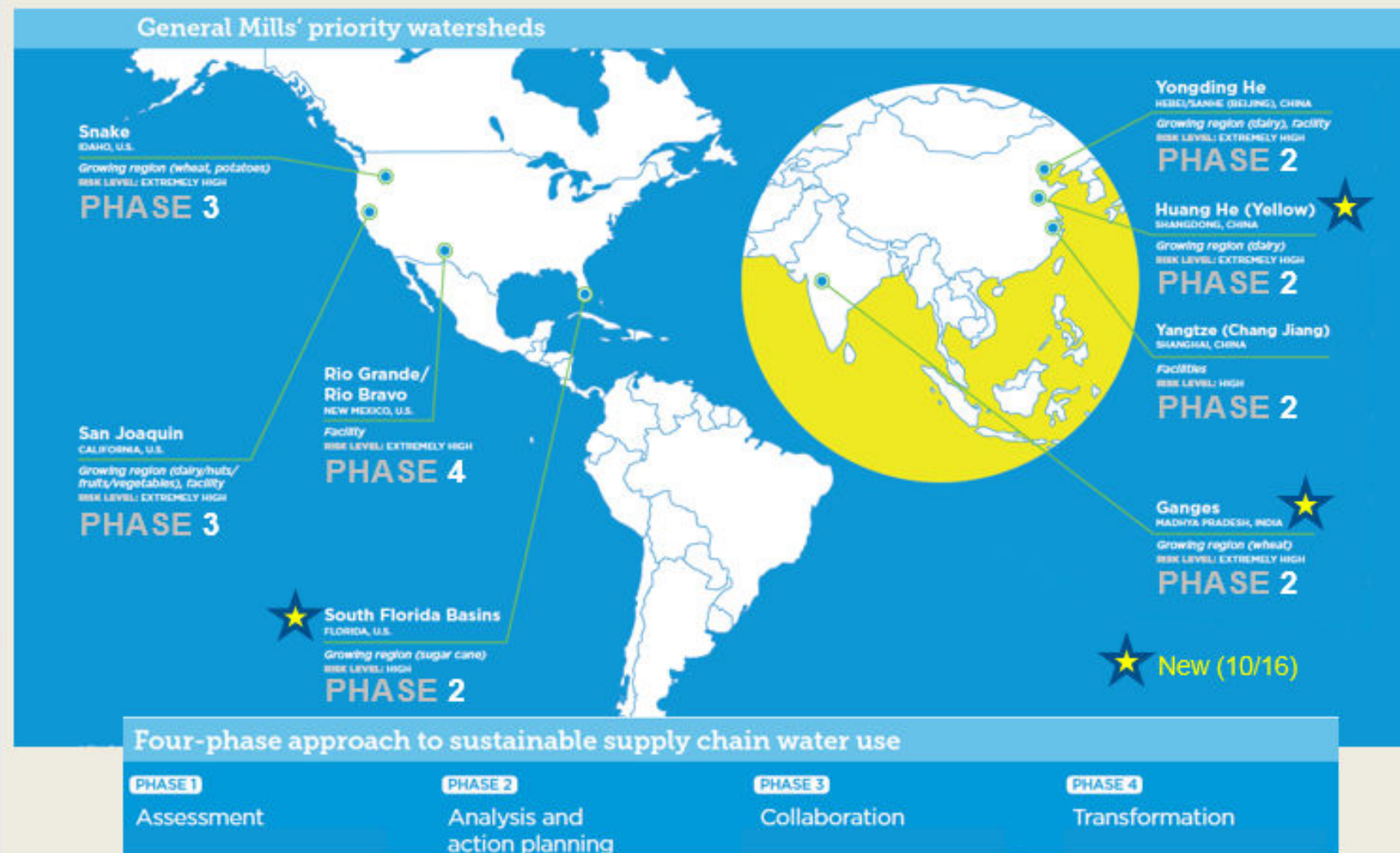


Palm Oil

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 links: COMPANY, BRANDS, CAREERS, RESPONSIBILITY, HEALTH, INVESTORS, and NEWS. A search bar is also present. The main content area features a large image of a modern building and the title 'Policy on human rights' in blue. Below the title, it says 'May 2015' and 'Overview'. The text reads: 'We believe that societies, economies and businesses thrive when human rights are protected and respected.' and '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.'

GENERAL MILLS

COMPANY BRANDS CAREERS RESPONSIBILITY HEALTH INVESTORS NEWS

NEWS

- Awards
- Blog
- History on tumblr
- Issues
- [My Story](#)
- News Releases
- Publications

Policy on human rights

May 2015

Overview

We believe that societies, economies and businesses thrive when human rights are protected and respected.

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.

