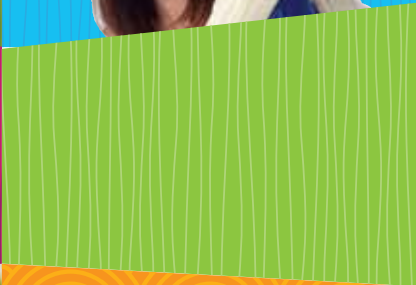




GENERAL MILLS

# Global Responsibility 2012

Health | Communities | Environment



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## To our Stakeholders:



Ken Powell  
Chairman, Chief Executive  
Officer, General Mills

Welcome to our 2012 Global Responsibility report. We're very pleased to provide this update on the progress we're making to enhance the nourishment we provide ... to strengthen the communities we serve ... and to protect the planet we share.

General Mills' mission is Nourishing Lives, and this report marks our 42nd year of reporting back to our communities and our stakeholders.

Our approach to global responsibility is straightforward. It's all about living our values – one of which is “We do the right thing, all the time.”

When a company's values are in alignment with employees' values, good things happen. My hope is that you will see our values reflected in this report – both in our performance and in the stories behind the numbers.

[Box Tops for Education](#), the leading education cause-marketing program in the U.S., is one example. It was two of our salesmen who dreamed up the idea for Box Tops, which has raised more than US\$400 million for K-8 schools ([p. 23](#)).

It was a recently retired manufacturing manager who doggedly pursued the idea of burning discarded oat hulls for energy – an initiative that continues to be held up as a model of innovation and creativity in the food industry ([p. 41](#)).

It was one of our scientists whose desire to lose weight sparked the creation of Progresso Light soup – just one of our ongoing efforts to steadily improve the health profile of our products ([p. 9](#)).

And it was an R&D employee who planted the initial seeds for Partners in Food Solutions, a nonprofit organization linking the food expertise of General Mills employees with small food companies in Africa ([p. 25](#)). Today, more than 500 General Mills employees contribute their time, knowledge and talents to helping African food producers solve a wide range of quality and other issues.

These are just a few examples of how our employees are making a real difference for General Mills and our global community. Around the world, General Mills employees are working to improve the health profile of our products, volunteering in their communities and integrating sustainability into every facet of our business.

Every day, we work to earn the trust of consumers. Being a responsible corporate citizen is integral to maintaining that trust. We are proud of the progress we're making – and we are committed to doing more.

Thank you for your interest, and we welcome your questions and comments, as always.

Sincerely,

A handwritten signature in black ink that reads "KJ Powell".



# INTRODUCTION

At General Mills, corporate social responsibility is at the core of our Nourishing Lives mission, culture and business strategy. We believe that doing well for our shareholders goes hand in hand with doing well for our consumers, our communities and our planet.

We organize our corporate social responsibility focus areas – and our annual reports – into three basic categories.



## Health

The nourishment we provide



## Communities

The people we serve



## Environment

The planet we share

Every day throughout the world, our 35,000 employees work to carry out this mission.

We're proud of our sustainable heritage, which dates back decades, and, in some cases, even longer.

In the 1940s, for example, our Green Giant agricultural research team published a report outlining the benefits of crop rotation and later pioneered the use of integrated pest management for reducing pesticide use across all crops. Over the past 30 years, we've cut the pounds of pesticides used by 80 percent.

And in the 1990s, we worked with paper mills, counties, cities and waste management companies to promote curbside recycling. More importantly, we helped create an even larger market for recycled paperboard by using it in our food packaging.

Today, our Cheerios business provides an example of how we bring our Nourishing Lives mission to life in our day-to-day operations (see illustration on page 3). Sustainability is built into every phase of our process – from the growing of oats to the burning of leftover oat hulls to fuel our oat milling plant.

### Adopting GRI reporting guidelines

Our 2012 report marks the first time we are adopting the Global Reporting Initiative (GRI) 3.1 guidelines. Our intention is to increase the accessibility of information for interested stakeholders – a reflection of our commitment to become more transparent. GRI is a nonprofit organization that has developed one of the most prevalent standards for corporate social responsibility reporting. In our first year, our report is undeclared, and the report is not externally

assured. Our GRI Index on page 68 has a comprehensive list of the GRI indicators we are addressing this year.

You'll see references to these indicators throughout this report.

### Health performance & challenges: Overview

In 2011, our U.S. Retail division set a new record for improving the health profile of our products. As measured by our internal health metric, 24.6 percent of these retail sales were comprised of products with improved nutrition profiles.

In recent years, we've accelerated efforts to improve our overall health profile. From fiscal 2005 to the end of fiscal 2011, 64 percent of our U.S. Retail product sales volume has been nutritionally improved.

As significant as these gains are, we – and the entire food industry – are under increasing scrutiny to improve the health

attributes of the food we create. We're continuing to work with governments and a number of organizations around the world to promote healthier lifestyles.

One of our biggest challenges is maintaining the preferred taste of our products while reducing ingredients such as fat, sugar and sodium. We know from experience that a healthier food cannot provide nutritional benefits if it is not eaten. Finding that balance between health and taste is a perennial challenge – and opportunity – for General Mills.

Each of our reformulated products – as well as new ones – undergoes extensive taste tests before being introduced.

All of our Big G kid cereals, for example, are now at 10 grams of sugar or less per serving – down from 12 grams or more just a few years ago – and we've

CONTINUED ON PAGE 4 ▶

# Cheerios: Circle of Goodness



\* Three grams of soluble fiber daily from whole grain oat foods, like original Cheerios cereal, in a diet low in saturated fat and cholesterol, may reduce the risk of heart disease. Original Cheerios cereal provides 1 gram per serving.

Learn more about [Cheerios](#) and sustainability in the Responsibility section of [GeneralMills.com](#).

pledged to reduce all of these cereals to single digit grams of sugar per serving.

On page 11, you can see the progress on our sugar reductions in cereal and know that more reductions are on the way as a result of recent taste tests.



We firmly believe that cereal – sweetened or not – is one of the best breakfast choices people can make. It has fewer calories than many other breakfast options, has many of the nutrients that make up a healthy diet, and it is affordable.

We continue to work with the Children’s Food and Beverage

Advertising Initiative in the U.S., the Department of Health in the United Kingdom, Health Canada in Canada, and the World Health Organization in many other parts of the world on several health-related issues.

### Communities performance & challenges: Overview

The important role General Mills plays in the community around our headquarters in Minneapolis and throughout the state of Minnesota is well-known. Since our [Foundation](#) was created in 1954, we’ve given more than US\$1 billion to a variety of charitable causes.

The same holds true for communities where we have production facilities, like Cedar Rapids, Iowa, or Hannibal, Mo. General Mills employees are typically leaders in the community when it comes to giving, volunteerism and other civic engagement endeavors.

A high level of employee engagement is the norm at General Mills – 83 percent of our U.S. employees volunteer in the community – nearly three times the 29 percent average reported in a survey of more than 150 Fortune 500 companies.

Today, our challenge – and opportunity – is to grow these efforts around the world as we expand to become a more global company.

In fiscal 2011, Foundation giving internationally reached nearly US\$400,000 – almost double the US\$220,000 in fiscal 2010. This, however, represents just a relatively small slice of our total giving.

Likewise, our volunteerism rate for employees outside the U.S. is 51 percent – significantly higher than the average for Fortune 500 companies, but leaving plenty of room to grow. Again, the challenge is to extend General Mills’

culture of giving to more of our international locations and programs.

We have been making progress – particularly with the food security programs we have helped establish in several African countries through our [Partners in Food Solutions](#) (PFS) program. PFS links the expertise of General Mills employees (as well as employees from Cargill and DSM) with small and medium-sized food processors in Africa.



To date, more than 500 General Mills employees have contributed their time and knowledge to this award-winning program that is helping lay the groundwork for improved food security in several countries in Africa.

[CONTINUED ON PAGE 6](#) ▶



**83 percent**

Eighty-three percent of our U.S employees volunteer in the community – nearly three times the 29 percent average reported in a survey of more than 150 Fortune 500 companies.

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General Mills is one of the largest food companies in the world, with more than 100 consumer brands.



**\$14.9**  
billion

Global net sales\*

**\$1.8**  
billion

Net earnings\*

**\$118.7**  
million

Community contributions

**35,000**  
employees

About half work outside the United States.

**100+**  
consumer brands

Our many brands can be found in more than 100 countries on six continents.

**\$2.9**  
billion

Net sales for our International business segment\*

**145**  
years

We have been making lives healthier, easier and richer for more than a century.

\*Includes \$1.2 billion proportionate share of joint venture sales  
All figures represent fiscal 2011 results.

And a separate program, [Join My Village](#), has been extended so all of our employees – not just those based in the U.S. – can contribute to this program that is designed to empower African women and girls.

In addition, Join My Village – which to date has raised more than US\$1.3 million to help 2,000 families in Malawi, Africa – has expanded to India in recent months.



By designing programs like Partners in Food Solutions and Join My Village – and organizing all of our philanthropic efforts around our core food business – we leverage our scale and know-how to address problems like food security and poverty. Our work in these areas is still young and the challenges great.

### Environmental performance: Overview

We continue to move forward on reaching our 2015 solid waste generation, water usage, greenhouse gas emissions and other sustainability goals.

We're already more than halfway toward achieving three of the goals – on reducing water use, solid waste generation and packaging. And we're making progress on reducing energy usage, greenhouse gas emissions and transportation fuel, our other three goals.

In absolute terms, we improved slightly across all of our sustainability metrics versus last year, meaning that we used fewer resources and generated less waste in fiscal 2011 than in 2010. But fiscal 2011 proved to

be a challenging year, largely because of a slight decrease in our business volume. Because our sustainability goals are rate-based, they are affected by the volume of what we produce.

There are many fixed costs – such as heating and lighting at our facilities – that are incurred regardless of how much food is produced. So we did not make as much progress against our goals as we had hoped.

But we made significant advancements in other areas.

With help from several external organizations, we've developed a sustainable sourcing model for ingredients we purchase to make our products. We are now developing specific strategies for sustainably sourcing several of these ingredients.

We also have begun asking our suppliers to complete our "supplier scorecard," which asks for data on energy use, water use and solid waste generation that is associated with the ingredients and material we use to make our products.



In addition, we are now in the process of rolling out a new global safety and environmental data management system called GSTEMS (Global Safety Tracking and Environmental Management System). The system will enhance real-time tracking of our energy and water use – among many other measurements

– across all of our plants, which will allow us to better focus our operations to conserve natural resources and money.

Taken together, we believe these initiatives position us very well to face environmental challenges and to make significant progress in the years ahead.

### Engaging stakeholders

We solicit input from groups like Ceres (a coalition of investors, environmental organizations and other public interest groups that works with companies to advance their environmental and social performance) to ensure we address issues of concern to them.

We are also a member of the United Nations Global Compact, a collaboration of businesses, NGOs (nongovernmental organizations) and the United Nations dedicated to improving human rights, labor, the environment and business practices. We are committed to working globally on these important issues.

We have been participants in the [Carbon Disclosure Project](#) (CDP) since its inception in 2000 and regularly report our greenhouse gas emissions and climate change strategies to this initiative. The CDP compiles data from 2,500 organizations in some 60 countries around the world.



For more on global responsibility at General Mills, see [GeneralMills.com/responsibility](http://GeneralMills.com/responsibility).

We believe these initiatives position us very well to face environmental challenges and to make significant progress in years ahead.



Concerning nutrition, we work with several organizations including the American Gastroenterological Association (AGA), the American Academy of Family Physicians (AAFP), the American Society for Nutrition (ASN), and the Academy of Nutrition and Dietetics (formerly the American Dietetic Association) to fund nutrition research and help promote nutrition education.

And we work with a variety of organizations on food safety – from the Asia Pacific Economic Cooperation forum to the Institute of Medicine and the National Organic Standards Board.

### External recognition for our responsibility efforts

Our efforts to build a responsible, sustainable and forward-looking company have been recognized by several third-party organizations in 2011.

Once again, we were included in Corporate Responsibility magazine's list of the **100 Best Corporate Citizens**, ranking No. 12. The list is based on several criteria, including our stances on human rights, climate change, environment, philanthropy, employee relations, finance and corporate governance.

And we were also again included on The Ethisphere Institute's list of the **World's Most Ethical Companies**.

Among the other recognitions we have received in 2011:

- World's Most Admired Companies (No. 47), Fortune
- America's Most Reputable Companies (No. 15), Reputation Institute

- 100 Best Companies to Work For (No. 58), Fortune
- Top Companies for Leaders (No. 2), Fortune
- 100 Best Companies, Working Mother (for 16 straight years)
- Top 50 Companies for Diversity, DiversityInc

Increasingly, our reputation as a good corporate citizen is becoming better known internationally. Among the recognitions we received in 2011:

- UK's 50 Best Workplaces, The Great Place to Work Institute
- 2011 Top Employers in France, Corporate Research Foundation Institute
- Recommended Employer in the Food Industry, Australian Business Awards
- Outstanding Foreign Firms Based in the Republic of China, General Chamber of Commerce of the Republic of China (Taiwan)

### Global Responsibility report scope

This report is assembled by General Mills Corporate Communications with help from subject matter experts throughout the company. The scope is global, except where otherwise noted.

Our progress on sustainability metrics is reported for fiscal 2011. We also include information about some of our other activities for calendar year 2011 to illustrate progress on newer initiatives.

Those with ultimate responsibility for this report are the General Mills leadership team, including Kim Nelson, senior vice president of External Relations and president of the General Mills Foundation, and our Board of Directors' Public Responsibility Committee. The committee reviews a draft of the report and provides input before the final document is published.

The environment section of the report is developed under the leadership of Jerry Lynch, our chief sustainability officer, who reports to Nelson and John Church, senior vice president of our Supply Chain.

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Our efforts to build a responsible, sustainable and forward-looking company have been recognized by several third-party organizations in 2011.





**Our mission is  
Nourishing Lives –  
making lives healthier,  
easier and richer.**



### Overview

- ★ Reformulated products
- ★ Healthier new products
- ★ Updated marketing guidelines
- ★ A decade of providing healthy kids grants
- ★ Promoting school breakfasts globally

### Our goal is to provide people with nutritious foods that – when combined with exercise and activity – can help people live healthier lives.

For decades, we’ve been providing people with nutrition information – from the “Betty Crocker Cooking School of the Air” in the 1920s to our [EatBetterAmerica.com](http://EatBetterAmerica.com) collection of “healthified” recipes today.

We’ve also worked closely with governments around the world to enrich our foods to address health issues. We began enrichment of Gold Medal flour with thiamine and iron in the 1940s and fortified all Big G kid cereals with vitamin D in the 2000s.

To help us reach our health goals, we created the [Bell Institute of Health and Nutrition](#) in 1998, and our Health & Wellness Center of Excellence in 2005.

It’s also why we began systematically measuring our “health profile” progress in 2005, and have set specific goals.

Long ago, we recognized that health was very important to our consumers. Many of our best-selling products carry some type

of government-approved health claim – whether from the U.S. Food and Drug Administration, Health Canada or other governmental entity.

Improving the health profile of our products is integral to our success as a company. At the same time, we set a high bar for ensuring that our healthier products taste good.

Because we’ve learned from experience that a healthier product is of little value if no one buys and eats it.

### Health Goals

- Reduce sugar** in cereals advertised to children under 12 to single digit levels per serving.
- Reduce sodium** by 20 percent, on average, in our top 10 product categories.
- Remove trans fat** from our products.

## New record set for improving health profile

Our U.S. Retail division set a new record in fiscal 2011 for improving the health profile of its products – besting fiscal 2010.

As measured by our internal health metric, 24.6 percent of U.S. Retail’s product sales were comprised of products with improved nutrition profiles.

The biggest gains came from reducing trans fat and sodium, which each accounted for 26 percent of our fiscal 2011 improvement. The next largest gains came from adding vitamins and minerals (19 percent), and from increasing whole grain (12 percent).

In all, from fiscal 2005 to the end of fiscal 2011, 64 percent of our U.S. Retail product sales volume has been nutritionally improved.

Outside the U.S., progress continues on many fronts, including trimming the fat and salt from several Old El Paso products. And with the July 2011 acquisition of the Yoplait international business, several new healthy yogurt products have been added to our international portfolio.

PR1

## Lucky Charms gets a boost

An example of a product we reformulated in fiscal 2011 to improve its nutritional profile is Lucky Charms, one of our most popular and best-selling cereals.

Lucky Charms now has 20 percent more fiber, 25 percent more whole grain and 10 percent less sodium than it had the year before.

And it has 10 grams of sugar per serving – down from 12 grams in 2007. We’re working to reduce all of our cereals advertised to kids under age 12 to single digit grams per serving.

Since 2005, General Mills has improved the nutrition profile of more than 600 different General Mills products in the U.S. Some products – like Lucky Charms – have been improved several times.



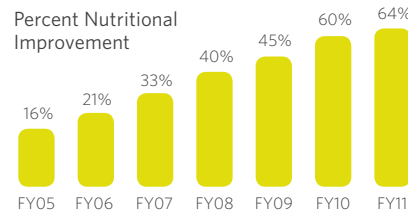
### Raising the health bar

**64%**

of our U.S. Retail sales volume in fiscal 2011 was made up of products that had been nutritionally improved – or introduced with strong nutrition profiles – since 2005.

**24.6**

of our U.S. Retail sales volume in fiscal 2011 was made up of products that had been nutritionally improved or introduced with strong nutrition profiles.



### How we measure progress

We measure improvements on our internal health metric in one or more of the following ways:

**Increasing** nutrients such as whole grain, fiber or vitamins and minerals by at least 10 percent.

**Increasing** key food groups such as fruits, vegetables, low or non-fat dairy to reach at least a one-half serving.

**Reducing** calories, fat, saturated fat, trans fat, sugar or sodium by 10 percent or more.

**Formulating** or reformulating a product so it qualifies for government-approved nutrient or health benefit claim.

**Formulating** or reformulating a product to meet specific internal requirements, including limiting calories.

**600**

or more of our U.S. products have been nutritionally improved since 2005.



Ninety-five percent of Americans still aren't eating enough whole grain. We're working to change that.



At least 9 grams of whole grain per serving in every Big G cereal

**1st**  
The first ingredient listed on Big G cereals is whole grain.

## Whole grain is No. 1

**Big G cereals provide people in the U.S. with more whole grain than any other breakfast food from any other food company.**

Whole grain is also listed as the first ingredient, which is important to health-conscious consumers who look to the ingredient list to assess the nutritional value of the food they eat.

The multiyear reformulation effort represents a continuation of an initiative begun in 2005 to convert all of our Big G cereals to whole grain. That effort was the single-biggest, health-driven product improvement in our history.

Today, our Big G cereals deliver about 38 million whole grain servings per day – a 50 percent increase in whole grain servings over 2004.

Big G cereals are the No. 1 source of whole grain at breakfast for people in the U.S.

In connection with healthy living, going with whole grain has been linked to healthier body weights, and it may help reduce the risk of heart disease.

## CPW boosts whole grain

**Our Cereal Partners Worldwide (CPW) joint venture – the second largest cereal provider in the world – is also making significant improvements in the health profile of its many cereals.**

Since 2003, CPW has increased global consumption of whole grain by more than 3.4 billion servings and reduced sugar by more than 9,141 tons.

All of its global brands – Fitness, Cheerios, Chocapic and Nesquik – now have at least 8 grams of whole grain per serving.

In 2009, CPW pledged to reduce the sugar by an additional 20 percent in its cereals that are advertised to children.



CPW is the joint venture between General Mills and Nestlé that makes and markets cereals under the Nestlé brand globally outside North America.



# Trimming sugar in kid cereals

Since 2007, we've lowered sugar levels in our cereals advertised to children under age 12 by more than 14 percent, on average.

In 2009, we strengthened our commitment by pledging to reduce the sugar in all of our cereals advertised to children under 12 to single digit grams of sugar per serving.

Today, all of our Big G kid cereals contain 10 grams of sugar or less per

serving. And we've reduced sugar in many of our other cereals as well.

Cheerios has 1 gram of sugar per serving, Rice Chex has 2 grams, Kix 3 grams, MultiGrain Cheerios 6 grams and Honey Nut Cheerios 9 grams.

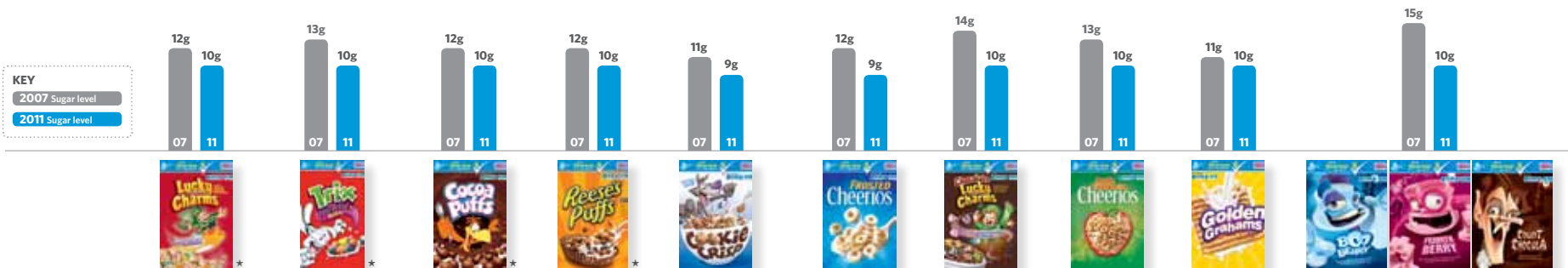
PR1



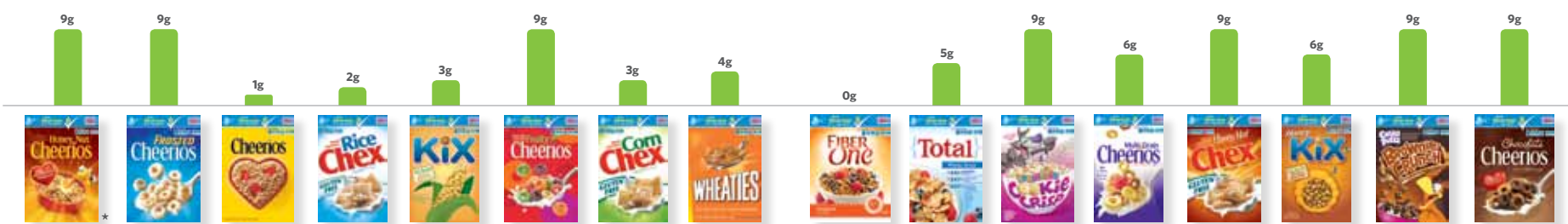
Today, all of our Big G kid cereals contain 10 grams of sugar or less per serving.

For more information on the benefits of cereal, see [CerealBenefits.com](http://CerealBenefits.com)

## Progress on reducing sugar



## Cereals at single-digit sugar levels



### Additional cereals at single-digit grams:

Wheat Chex (5g), Fiber One Honey Clusters (6g), Dora the Explorer (6g), Chocolate Chex (8g), Cinnamon Chex (8g), Cinnamon Crunch Total (9g), Yogurt Burst Cheerios - Strawberry (9g).

\* Cereals advertised to children: Cinnamon Toast Crunch, Cocoa Puffs, Frosted Toast Crunch, Honey Nut Cheerios, Lucky Charms, Reese's Puffs, Trix.



## Trimming sodium across our portfolio

We've made significant progress on our pledge to reduce the sodium by 20 percent, on average, in more than 400 of our U.S. Retail products in our top 10 product categories by 2015.

Since fiscal 2005, we have reduced the sodium by at least 10 percent in 195 products, including: Cheerios, Honey Nut Cheerios, 60 varieties of Progresso soup, more than 20 Hamburger Helper products, most Totino's pizza rolls, and 16 Muir Glen tomato products.

We continue to work on reducing the sodium in our remaining product categories as we approach 2015.

Likewise, we're reducing sodium levels in our international portfolio.



In Europe, we are supporting the UK Department of Health's 2012 sodium reduction targets and are working to meet these goals. In addition, nutrition standards have been implemented for each brand to ensure that sodium levels are a key consideration when developing new products.

**PR1**

## Removing trans fat from our products

We continue to make progress toward our goal of removing trans fat from our products.

Since 2005, we have reduced trans fat in more than 120 of our U.S. Retail products.

As of the end of fiscal 2011, about 83 percent of General Mills' U.S. Retail sales volume was comprised of products with zero grams labeled trans fat.

Most flavors of Betty Crocker SuperMoist cake mixes, virtually all Pillsbury Toaster Strudel products, and many Pillsbury Crescent varieties are among the products that have been reduced to zero grams of trans fat.

**PR1**



Since 2005, we have reduced trans fat in more than 120 of our U.S. Retail products

**Green Giant** is lowering the salt in its canned vegetables by 5 to 35 percent across Europe, Russia, Africa and the Middle East. This sodium reduction effort has already been implemented in 90 percent of Green Giant products - including sweet corn, artichokes and hearts of palm - in these markets. The reduction supports the UK Department of Health's goal of decreasing dietary sodium to 2.4 grams per day.





## More nutritious new products

Among the healthier new products we introduced in fiscal 2012 are:



- **Progresso** Reduced Sodium Tomato Parmesan soup, which has 30 percent less sodium than Progresso Vegetable Classics Hearty tomato soup, is a good source of fiber (3 grams) and has 100 calories.



- **Gold Medal** White Whole Wheat flour makes it easier to add more whole grain to our diets. The flour can be used for making sugar cookies and other baked goods that call for white flour.



- **Bisquick** – a baking staple in American kitchens since 1931 – is now available with whole grain for making pancakes and waffles.



- New **Fiber One** 80 Calories cereal provides 40 percent of the Daily Value of fiber and calcium, plus 25 percent of the Daily Value of eight vitamins and minerals including iron.



- New **Green Giant** Valley Fresh Steamers Pasta and Vegetables with Alfredo Sauce was designed to help get kids to eat more vegetables.



- A **Yoplait** Chocolate Banana Smoothie has 130 calories per serving and 50 percent of the Daily Value of calcium.



- Simply **Fruit Rolls** have one serving of fruit and just 50 calories per serving.

**500**

The number of U.S. Retail products with 100 calories or less per serving.

**800**

The number of U.S. Retail products with 150 calories or less per serving.





## The challenge of creating healthier products

It may seem like a simple task to remove the salt, sugar or fat from a product.

But the reality is that it's a lot more challenging.

In 2006, for example, we launched Nature Valley Fruit Crisps. But the dried and baked slices of apple, with just 50 calories per pouch, didn't meet consumers' demanding taste requirements and were discontinued.

Our practice is to learn from our past so we can make

subsequent products better to meet consumer demand for healthy, great-tasting products.

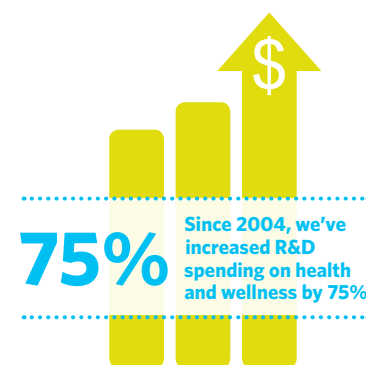
Since 2004, we've increased R&D spending on health and wellness initiatives by 75 percent. And we look for ideas from both inside and outside the company.

Our [G-WIN](#) innovation portal is designed to allow researchers from around the world to submit

their ideas on how to solve technical challenges such as removing salt from products.

For our efforts, General Mills was named to Forbes magazine's "The World's Most Innovative Companies" list. We ranked No. 31 among the 100 firms listed.

**PR1**



**31**  
Our rank among Forbes magazine's list of most innovative companies.





## Healthier school breakfasts

Recognizing the importance of breakfast in helping children excel in school, General Mills supports breakfast programs in schools around the world.

In Canada for the past seven years, we've donated cereal, granola bars and Bisquick to more than 170 schools in the Toronto area. In addition to supplying food, General Mills Canada employees volunteer to serve the meals every morning at Brian W. Fleming School near our Canadian office in Toronto.

In the U.S., our school breakfast program provides more than 1 million servings of whole grain

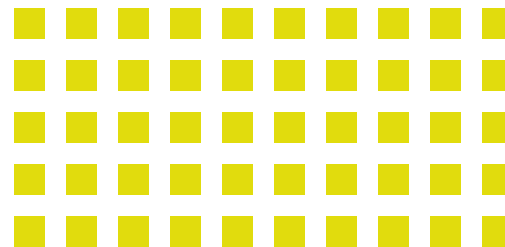
every day to school children. We offer more than 60 products made with whole grain - from Cheerios to Pillsbury Mini Pancakes.

And in the Philippines, we are supporting Food for Hungry Minds, a nonprofit organization that operates a school for poor urban children with high potential.

As part of the program, the students receive daily breakfast and lunch at the school.

60

More than 60 General Mills Foodservice products in the U.S. contain whole grain.



WATCH VIDEO



170

The number of schools near Toronto that are supported by our Breakfast for Kids program.

\$100,000

The amount in grants in 2011 that General Mills Foodservice has awarded to 39 U.S. schools to improve their breakfast programs.

"The dedication and depth of commitment General Mills provides through the breakfast program every day means that our children do not have to go to class without a breakfast. Providing a healthy meal at the beginning of the day means that students can go to class without being hungry and gives them the fuel to think and learn."

- Christine Parr, Principal of Brian W. Fleming Public School





## Reaching out to diverse communities

General Mills provides health and nutrition information to our many customers in several different ways.

One of the most visible is through our grassroots education seminars via our [Qué Rica Vida](#) initiative.

Since the outreach program was launched in 2010, we've connected with more than 500,000 people in Latino neighborhoods in Chicago, Los Angeles, Houston and Oakland, Calif. A topic of special focus has been diabetes awareness and prevention.

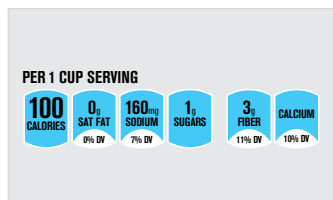
As common as the disease is in the general population, diabetes is even more prevalent among Latinos. Hispanics account for 10.4 percent of adults 20 years and older with this disease,

and African-Americans account for 11.8 percent, while only 6.6 percent of Caucasian Americans are diagnosed as diabetic.

We've partnered with medical expert Dr. Aliza Lifshitz, who has regular health programs on Univision television and radio as well as syndicated weekly columns in several Spanish-language newspapers.

Lifshitz stresses the importance of both a wholesome diet and physical exercise in preventing diabetes.

### Nutrition Keys



Replacing the front-of-pack labeling icons that have been in place on our Big G cereals since 2004, we've adopted a new system known as "Nutrition Keys." This new voluntary system, which has been adopted by other food companies, has four basic icons for calories, saturated fat, sodium and sugar. There are also two optional icons that represent "nutrients to encourage."

### GlutenFreely.com



We've partnered with universities, bloggers and other creators of gluten-free food to build a new Gluten Freely website that serves as a "one-stop shop" for consumers who are looking for information and products to lead a gluten-free lifestyle.

### EatBetterEarly.com



Our Eat Better Early website to help moms on a budget - including those eligible for the U.S. federal WIC (Women, Infants and Children) program - continues to grow. We now have about 500 recipes on the updated site. Each recipe contains at least one WIC-eligible food item.

### TogetherCounts.com



To combat obesity, we've joined several other companies and organizations in encouraging families to eat healthy, stay active and keep score on the Together Counts website.

### EatBetterAmerica.com



Our Eat Better America website - where visitors can find "healthified" versions of traditional recipes - continues to gain readers. With its combination of recipes, coupons, free samples and helpful advice, more than 1.4 million readers subscribe to the e-newsletter and 700,000 visit the website, on average, each month.



## Champions for Healthy Kids best practices

In 2002, General Mills – in concert with the American Dietetic Association Foundation and the President’s Council on Physical Fitness and Sports – launched Champions for Healthy Kids.

The 10-year initiative is designed to improve kids’ nutrition and physical fitness through 50 yearly grants of \$10,000 to nonprofit organizations throughout the U.S.

The programs – through initiatives such as the New York-based “Learn It. Grow It. Eat It” (pictured at left) – have reached more than 5 million kids.

Building on best practices learned from the 450 programs we’ve funded over the past decade, we recently selected [10 Champions for Healthy Kids Legacy Award winners](#) that we believe represent the best of the best.

Each of the legacy award winners received a US\$50,000 grant from

General Mills to continue their award-winning programs that serve several demographic groups across the U.S.

The winners range from the Boys & Girls Club of Yellowstone County in Billings, Mont., to the Health Promotion Council in Philadelphia, and from the National Indian Youth Leadership Program in Albuquerque, N.M., to the Treasure Coast Food Bank in Fort Pierce, Fla.

“While nearly all of our 450 Champions for Healthy Kids grant winners continue to provide nutrition education and fitness activities for children, our Legacy Award winners will be able to continue to make a significant impact on hundreds – if not thousands – of kids’ lives in the years to come.”

– Jeff Peterson, director of innovation and strategy for the General Mills Foundation

**98%**

The percentage of past Champions for Healthy Kids programs that continue to provide nutrition education. Ninety-four percent continue to offer fitness activities.



## General Mills UK signs on to 'Responsibility Deal'

General Mills UK has pledged to help improve the health of the population in the United Kingdom by signing on to the "Responsibility Deal" – a set of voluntary agreements covering food, physical activity and health at work that is backed by the UK's Department of Health.

Alongside other leading food companies and retailers, General Mills UK has committed to improve the nutrition profile of the foods we provide, promote a healthier workplace, encourage physical activity and most recently, promote consumption of fruits and vegetables.

As part of that pledge, Green Giant launched its "High 5" campaign – which aligns with the government effort to get people to eat at least five servings of fruits and vegetables per day – in the fall of 2011. Olympic hurdler Colin Jackson serves as spokesman.

PR6

"As an athlete, I know just how important it is to fuel your body with a healthy and balanced diet. As our children grow, they need their five a day vegetables and fruit to help build strong bodies and alert minds."

– Olympic hurdler Colin Jackson is encouraging kids to eat five vegetables a day in the UK.



## Nature Valley: Emphasizing a healthy balance

Throughout the world, our Nature Valley granola bars are closely linked with physical activity and the great outdoors – one more way we emphasize the importance of balance between exercise and eating.

In the U.S., the brand sponsors the Nature Valley Bicycle Festival in Minnesota, which is considered the premier U.S. bike racing event for women. It draws professional and elite racers from around the U.S.

And over the last two years, Nature Valley has donated more than \$800,000 through its popular "Preserve the Parks" program to help preserve U.S. national

parks – and to encourage people to get out and enjoy them, whether through hiking, paddling or other physical activity.

In the UK, we provide free samples of our Nature Valley bars at many outdoor events such as the "Race for Life" running series that raises money for cancer research.

Throughout the world, our Nature Valley granola bars are closely linked with physical activity and the great outdoors.





## Updating our child marketing guidelines

**General Mills has had marketing guidelines in place for more than 30 years, and we update them annually.**

In July, we joined 16 other food and beverage companies to establish uniform nutrition criteria for foods advertised to children under age 12 in the U.S. – strengthening guidelines that have been in place since 2007.

Under the new limits set by the Children’s Food and Beverage Advertising Initiative (CFBAI), about one-third of the products currently advertised to children in the U.S. would have to be reformulated, or they could no longer be advertised to kids after Dec. 31, 2013.

Because General Mills has been aggressively improving the health and nutrition profile of our products, only three of our products – Go-Gurt, Fruit Shapes and Fruit Gushers – would not meet the CFBAI standard. (Reformulation efforts are under way on these products.)

Our [marketing guidelines](#) underscore the company’s commitment to responsible advertising by stating that all marketing activity should respect three key steps to healthier living: balance, moderation and exercise.

**PR6**





# COMMUNITIES

The people we serve

**Cultivating a company culture based on values is at the core of our long-term business strategy.**



## Overview

- ★ Volunteering in the community
- ★ Fighting hunger from Minnesota to Malawi
- ★ Helping victims of natural disasters
- ★ Encouraging healthy lifestyles

## One of our most cherished values is “We do the right thing, all the time.”

We trace this philosophy to a fatal explosion more than 125 years ago at a Washburn Crosby Company flour mill in Minneapolis – a predecessor to General Mills.

In response, owner Cadwallader Washburn established a fund to help the families left behind, financed an orphanage and invested to create safer working conditions.

That belief system has been with us ever since and permeates our culture – even down to our corporate policies. One of those policies, for example, specifies that we should donate safe

food “whenever possible to avoid the destruction of edible food.”

Not only is it the right thing to do, but we save money by not sending waste to the landfill, and we also gain some tax benefits.

More important is the goodwill we earn from longtime partners like Feeding America and our customers. Our consumers – and increasingly, retailers – want to do business with companies that reflect their values.

Likewise, employees want to work for a company that shares their values. Engaged employees are productive employees.

So our charitable programs – including employee volunteerism – are organized around our core food business:

- To provide food to those in need.
- To develop and share food solutions.
- To help families make nutritious food choices.
- To integrate food with healthy, active lifestyles.

These are examples of how a values-based culture is at the core of our long-term business strategy. We believe that doing well by doing good is a prescription for success.

# \$1 billion

The amount we’ve given to charitable causes since the General Mills Foundation was created in 1954.



## Volunteerism: Our values in action

Vanessa Little is a great example of General Mills employees who get involved.

She is the type of volunteer who dives in when and where she's needed, literally. In 2011, she raised money for one charity by jumping into a Minnesota lake in the icy month of February.

Over the past eight years, Little, a senior technician at our Riverside Technical Center in Minneapolis, has led dozens of volunteer efforts. She launched an "Adopt a Troop" initiative to secure donations for troops in Iraq, and coordinates an annual "Adopt a Family" program that serves local and international families in need. She also heads up a General Mills contingent of Habitat for Humanity volunteers.

Little has also delivered for Meals on Wheels, collected socks and mittens

for a Loaves and Fishes event, and helped start a language program so her co-workers could learn Spanish.

Her commitment to volunteerism is driven in part by a memory of one Christmas from her childhood, when her family was going through tough times and couldn't afford presents. A group of strangers stopped by on Christmas Eve with food for the holiday meal and gifts for under the tree.

"It's still very touching, even as an adult, to remember how it felt when I realized that someone we didn't know cared enough to want to help us," says Little. "I hope by what I'm doing now I can make other people's holidays a little brighter and their lives a little easier."



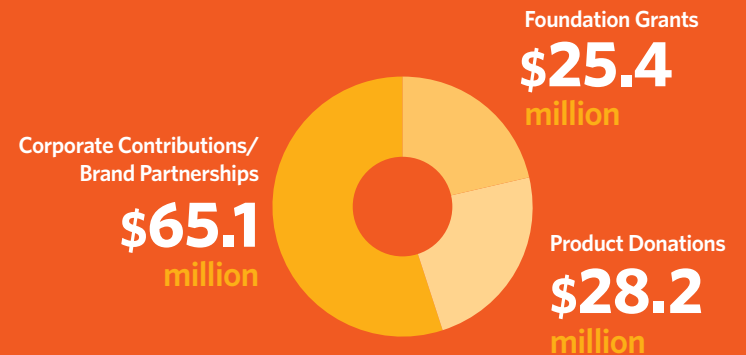
.....  
**83%**

We're proud that 83 percent of our U.S. employees volunteer in some way in their communities.

<1 Vanessa Little and her daughter are among the thousands of General Mills employees and their families who are committed volunteers.

**\$118.7 million**

The amount we gave to charitable causes in fiscal 2011 - up 18 percent from 2010.



## Supporting employee giving

Schools, arts groups, United Way and other nonprofit organizations that strengthen our communities have received more than \$36 million over the past five years from the General Mills Foundation's match of employee and retiree gifts. The Foundation's gift-matching program doubles the impact of the dollars our employees and retirees donate by matching gifts of US\$25 or more to eligible organizations (up to US\$15,000 annually).



## Our legacy of community involvement

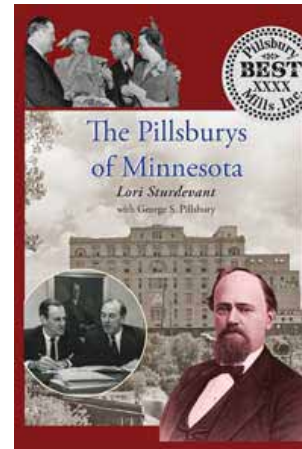
“The Pillsburys of Minnesota,” a new book about the Pillsbury legacy in Minnesota, describes the Pillsbury family’s history of civic and corporate responsibility and how their contributions still benefit Minnesota culture 150 years after the family’s arrival in the state.

In the 1860s, John S. Pillsbury – who wanted to make Minnesota a state of well-educated people, though he had no higher education himself – helped save the University of Minnesota at a time when the new institution was cash-strapped. Founding support for the Guthrie Theater, the Minneapolis Institute of Arts, libraries, and even a state forest are all part of the legacy that the Pillsbury family left over the years.

As corporate leaders, the Pillsburys pioneered ideas, such as corporate

profit-sharing with employees, which helped ensure the community maintained a prosperous middle class. “They built their empire on hard work, treating people right, unpretentiousness and commitment to the common good,” says author Lori Sturdevant, a reporter for the Minneapolis-based Star Tribune.

Competitors for more than a century, The Pillsbury Company and General Mills share a tradition of community support. That tradition of giving back and getting involved continues today.



### General Mills gives

Visit the [General Mills Gives Facebook page](#) for stories about how our employees nourish lives through volunteerism.



## \$100,000

Employees at our headquarters in Minneapolis collected nearly 10,000 pounds of food and raised more than US\$100,000 in our 29th annual food drive to support food shelves in the Twin Cities area of Minneapolis-St. Paul.





## Harnessing brand power for education

**Box Tops for Education, the program that has provided more than US\$400 million to U.S. schools, had humble beginnings that highlight the culture of caring for the community that is common at General Mills.**

It began back in the mid-1990s, a time when schools in California were facing tough budget cuts.

Mindful that parents care deeply about their children’s education and equally mindful of low redemption rates on General Mills coupons in northern California, sales employees Tom Iverson and Matt DeFano had an idea.

Would consumers respond to the opportunity to raise money for their schools by buying General Mills products and clipping the “Box Tops” on products? And would retailers support the program?

Nearly two decades later, the answer is a resounding “yes” to both.

Today, nearly 70,000 kindergarten to eighth-grade schools are active participants in what has become the

largest and best-known education cause-marketing program in the United States. **Box Tops for Education** provides schools with funding for whatever students need, everything from playground equipment to paint, computers to clarinets.

Co-founder Iverson retired from General Mills in March 2012 after a 37-year career, but his legacy – Box Tops for Education – continues on.



△ General Mills’ giving culture was the catalyst that led salesmen Tom Iverson (above) and Matt DeFano to create what has become known as Box Tops for Education, the leading education cause-marketing program in the U.S.

Our giving culture is reflected in the significant cause-related marketing efforts across our businesses.

## Yoplait impact on breast cancer research

**Consumers who want to join the fight against breast cancer in their communities now can redeem yogurt lids online as part of the Yoplait Save Lids to Save Lives campaign.**

For every lid redeemed in fiscal 2011, we made a donation to breast cancer programs in the community where the lid was collected. Since

1998, when **Save Lids to Save Lives** began, Yoplait has contributed more than US\$25 million to promote research and awareness.

We donated another US\$2 million to the cause in 2011 through our companywide **Pink Together** campaign, now in its fifth year.

**\$33 million**

The total amount we’ve contributed since 1998 through our **Save Lids to Save Lives** and **Pink Together** campaigns to support breast cancer research and awareness.



## Fighting hunger in our community

General Mills pledged US\$1 million to the Hunger-Free Minnesota campaign.

About 40 percent of Minnesotans who don't get enough to eat are kids. And that can have a lasting impact: Hungry infants and young children are more likely to have iron deficiencies that can affect cognitive and physical development, for example.

As a food company based in Minnesota, we're committed to tackling this problem. So in June 2011, General Mills pledged US\$1 million in financial support to [Hunger-Free Minnesota](#), a three-year initiative that hopes to provide 100 million

more meals every year to hungry people in the state.

The US\$1 million donation will help expand existing food support and child nutrition programs. Founding partners of Hunger-Free Minnesota include Feeding America food banks in Minnesota, Hunger Solutions Minnesota, the Greater Twin Cities United Way and several Minnesota-based companies.

As part of the program launch, General Mills hosted a Twin Cities Hunger Forum, where

200 local hunger-relief leaders gathered to share ideas on how to improve access to food and help eligible people get enrolled in food-support programs.

General Mills has been battling hunger for years. We're a founding partner with Feeding America, for example, and have worked with its network of food banks for more than 30 years. Many of our employees donate their time to hunger-fighting organizations such as Meals on Wheels.



**\$28.2 million**

Our product donations in fiscal 2011. We work closely with Feeding America, which has more than 200 food banks and distributes over 3 billion pounds of food and grocery products every year. Internationally, we partner with the Global FoodBanking Network, which operates in 22 countries and distributes nearly 3.5 billion pounds of food and grocery products annually.



**+ 27%**

We increased our hunger and nutrition wellness grants by 27 percent in fiscal 2011.



## Nourishing lives in Africa

In 2011, TechnoServe, a nonprofit organization that works to find business solutions to combat poverty around the world, honored General Mills Chairman and Chief Executive Officer Ken Powell for his leadership in helping to empower poor people in Africa.

In accepting the award, Powell traced the evolution of General Mills' involvement in Africa, starting in 2007 with an initiative to pack "one million meals for Malawi." That commitment has expanded to include **Partners in Food Solutions** (PFS), which links the expertise of General Mills employees and other food industry experts with small- and medium-sized food processors in Africa.

PFS helps organizations such as Project Peanut Butter, which produces a high-calorie, peanut-butter-like paste called chiponde that's been recognized as the most effective way to treat severely malnourished

children. Project Peanut Butter treated more than 60,000 malnourished children in Malawi in 2011.

PFS currently is providing help to new Project Peanut Butter facilities in Mali and Sierra Leone, where one in five kids die from malnutrition before age 5. One project, for example, was led by volunteer James Blair, a quality assurance coordinator at our Berwick plant in the United Kingdom. Blair conducted an inspection of the Sierra Leone plant to ensure that it was ready for a UNICEF audit.

Meeting internationally recognized UNICEF standards means that Project Peanut Butter can sell

its life-saving product to global organizations such as Doctors Without Borders, CARE and local aid agencies and hospitals for distribution to those who badly need it.

.....

**Watch a video** about how Project Peanut Butter is helping save young lives in Africa.



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## \$1.2 million

That's the amount of money our Join My Village program has raised to help 2,000 families in Malawi, Africa. Join My Village promotes education and economic development by empowering women and girls. And we recently expanded the program to help women and girls in India.



## 500+

More than 500 General Mills employees contribute their time, knowledge and passion for helping people to Partners in Food Solutions.



## Expanding community support around the world

**As an increasingly global company, General Mills continues to expand its community outreach efforts around the world.**

“As we have more of an international presence, we need to bring all that is General Mills – including our values – to markets,” says Ellen Goldberg Luger, executive director of the General Mills Foundation. “It’s not just food, but volunteerism and giving, too.”

The highlight of international support in calendar 2011 was the creation of a new Key Market Giving Program. Partnering with United Way Worldwide, the company is providing significant financial support – with grants ranging from US\$75,000 to more than US\$150,000 – to organizations in India, China and

Canada that are fighting hunger and striving to improve nutrition.

In China, for example, support is helping expand construction of water cellars in exceptionally dry areas, providing water to grow and cook food. In Nashik, India, nearly 2,000 new families will be added to a hunger and nutrition program.

And in Canada, General Mills is providing nutrition and physical activity grants to help address the long-term implications of chronic poverty, as well as providing school breakfasts and nutrition education.

In fiscal 2011, support from our International Community

Grants program reached nearly US\$400,000, reflecting requests from 18 countries – nearly double the US\$220,000 in support in fiscal 2010.

“Our giving reflects our values and our mission,” says Goldberg Luger. “We are nourishing lives around the world.”

That effort includes volunteerism, too.

More than half of General Mills employees outside of the United States volunteer in their communities, and in the United States, that number jumps to 83 percent.



“Our giving reflects our values and our mission. We are Nourishing Lives around the world.”

– Ellen Goldberg Luger, executive director of the General Mills Foundation



## Helping communities following natural disasters

The importance of lending a hand to disaster victims hit close to home in 2011 when tornadoes struck Minneapolis and Joplin, Mo., two communities where General Mills employees live and work.

The General Mills Foundation gave US\$50,000 to the American Red Cross to support relief efforts in Joplin, and also matched donations made by our employees and retirees dollar for dollar. Two General Mills employees lost family members in the storm, which devastated the town and killed more than 100 people.

General Mills donated another US\$25,000 to the American Red Cross to assist tornado victims in north Minneapolis. In both cities, we also pitched in with product donations to feed displaced people and relief workers.

We supported other disaster relief efforts around the world in 2011, including the following.

**In Japan**, where we donated US\$650,000 to the Red Cross International Disaster Relief fund to help victims of the earthquake and tsunami, and also matched employee donations.

**In New Zealand**, where US\$35,000 was given to the New Zealand Red Cross in the wake of a 6.3 magnitude earthquake.

**In the southeastern U.S.**, where more than US\$600,000 in cash and food products was donated to the American Red Cross after tornadoes moved through eight states.

**In Australia and Brazil**, where US\$50,000 was donated to each country through the Red Cross

International Disaster Relief fund following severe floods.

**In Indonesia**, where US\$5,000 was given to help victims of a volcanic eruption on Java.

.....

**Watch a video about how a conference room at our Joplin, Mo., plant was used to distribute donated items - from toothbrushes to clothing - to tornado victims.**



### Aid to Somalia

As a global food company, General Mills was able to help when the United Nations declared Somalia and the Horn of Africa region to be in a “state of famine” (the first such U.N. declaration in 30 years). We contributed US\$100,000 in food relief to the American Refugee Committee, which leveraged an additional US\$200,000 in donations from other Twin Cities companies. Minnesota, our home base, is also home to the largest Somali population outside Africa.



“The entire Minnesotan Somali community is impacted by the humanitarian crisis in Somalia. It means a lot to the community when General Mills takes action. As an employee, it makes me proud.”

- Abdirizak Abdi, Somalia native and General Mills senior applications analyst



## Volunteering for the environment

In April 2011, employees from our Central and Eastern European headquarters in Hamburg, Germany, teamed up with a group of children to convert a field by the kids' school into a thriving garden.

The garden was planted with vegetables, herbs and flowers, which the students at Rebus Billstedt, a school for children with special needs, helped tend until harvest season in the fall.

It's the third garden that General Mills volunteers have helped to establish at elementary schools in the Hamburg area - giving city kids a chance to get outdoors, work together, and learn about nature and how food is grown.

The new Hamburg garden is a smaller, up-and-coming version of another "giving garden" near our world headquarters in Minneapolis. The employee-cultivated Minneapolis garden generated nearly 1,400 pounds of organic vegetables in 2011, and was expanded from 1,600 to 2,750 square feet to accommodate more plants.

The fresh produce grown there is donated to hunger-relief

organizations in the Twin Cities area, including Loaves & Fishes and PRISM Food Shelf, which give or serve the vegetables to low-income people.

In 2011, more than 200 volunteers worked together to grow carrots, lettuce, tomatoes, beans, broccoli, peppers, cauliflower and other vegetables.

## Introducing youth to brand careers

In the summer of 2011, we hosted a networking event for students and alumni from the Minneapolis-based nonprofit organization The BrandLab, which provides young people from diverse socioeconomic backgrounds with exposure to careers in marketing and advertising. General Mills is a founding sponsor of The BrandLab, which offers classes and internships, and to date has awarded more than 40 \$1,000 college scholarships. [Watch a video about the event.](#)



**1,400 lbs.**

That's the total weight of the carrots, beans and other fresh organic vegetables grown for hungry people at our Minneapolis garden in 2011.



## Respecting, developing and investing in our people

General Mills has earned recognition as a good company to work for, in the U.S. and around the world.

At General Mills, we know that engaged employees drive customer value and business performance. Our senior leaders work to inspire and communicate our culture through their actions to our 35,000 employees worldwide.

In 2011, for the fourth year in a row, we were named one of the **United Kingdom's 50 best workplaces** by The Great Place to Work Institute. The Corporate Research Foundation, meanwhile, ranked us as **one of France's top employers**.

General Mills employs about 1,300 people and has sold products in France for more than 50 years.

Plus, for the second year in a row, General Mills was named the **"recommended employer"** for the food industry **in Australia**.

Leading business publications also ranked General Mills in several "best of" lists. Fortune included us in its list of **best companies to work for** (No. 58), **most admired companies** (No. 47) and **top companies for**

**leaders** (No. 2), while Forbes named us one of the **world's most innovative companies** (No. 31).

Our company was also recognized for its commitment to operating in a responsible way. We were ranked as one of **America's most reputable companies** (No. 15) by the Reputation Institute and one of the **100 best corporate citizens** (No. 12) by Corporate Responsibility magazine.

**For more information on creating a great workplace, see page 63.**



## No. 1

In a survey of 250 other large companies such as General Electric, IBM and Procter & Gamble, General Mills' leadership development programs were ranked No. 1 by Leadership Excellence magazine, a respected leadership trade magazine.



### Additional workplace honors

Among the many other awards the company received in 2011:

- 100 Best Companies and Best Companies for Multicultural Women, Working Mother
- Best Places to Work in IT (No. 3), Computerworld
- Top Workplaces 2011, The Minneapolis Star Tribune

A complete list of our 2011 workplace awards is on [GeneralMills.com](http://GeneralMills.com).

## 15 years

We've been on Working Mother's "100 Best Companies" list for 15 straight years. In 2010, we were inducted into its "100 Best Companies Hall of Fame."



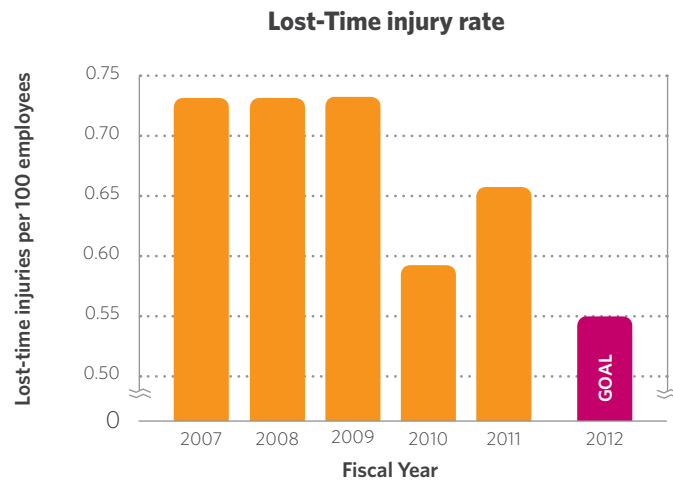
## Working to improve workplace safety

We recorded a total of 185 lost-time accidents among our 35,000 employees in fiscal 2011 at all of our manufacturing facilities globally – up from 177 in fiscal 2010. Our ultimate goal is zero lost-time accidents.

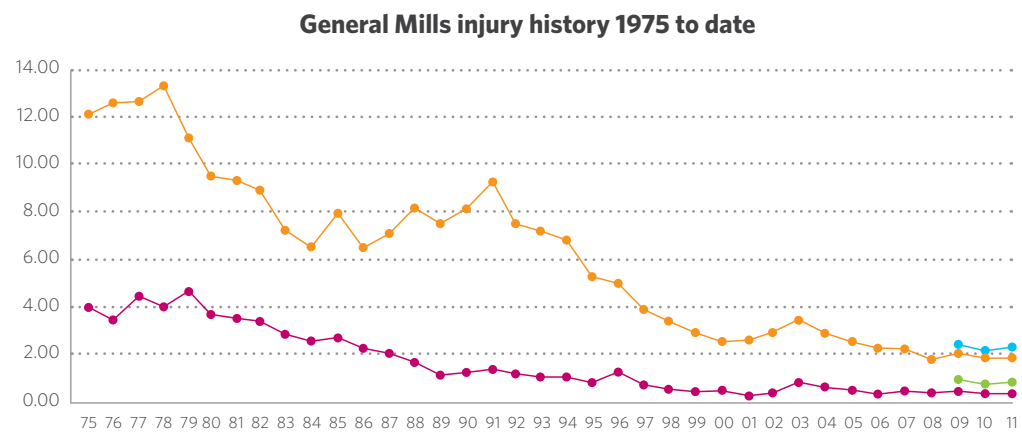
Sadly, we did suffer a work-related fatality in fiscal 2011. One of our fellow employees died in August 2010 of an apparent fall at our facility in Albuquerque, N.M. Efforts by responding employees and emergency medical personnel to resuscitate were unsuccessful.

LA7

For additional information on workplace safety, see pages 63 and 65.



General Mills has been working toward a goal of reducing its lost-time injury rate by 25 percent over five years.



In fiscal 2011, we recorded a total of 185 lost-time accidents among our 35,000 employees at all of our manufacturing facilities globally, up from 177 in fiscal 2010. Our ultimate goal is zero lost-time injuries.





## Programs for employee health

General Mills provides a number of programs – which vary from location to location – to assist employees and their families regarding their health.

The cornerstone of our long-standing wellness initiatives are three similar programs that are tailored for different employee groups:

- **TriHealthalon** for sales employees.
- **Total You** for employees at corporate headquarters.
- **Health Number** for manufacturing employees.

Employees in each group are asked to complete a confidential online health assessment. In addition, employees' body mass index, blood pressure, blood sugar and blood levels are measured and tracked.

Employees are also encouraged to consult with our on-staff team of doctors, physicians' assistants, nurses and physical therapists concerning the results of these tests, as well as any other medical concerns.

Many of our facilities have fitness centers and wellness counseling programs. In addition, the company offers a number of financial incentives for U.S.-based employees who exercise, don't smoke and take the health assessment.

Our programs are tailored to meet local needs. In Canada, for example, we provide a workshop on seasonal affective disorder for those affected by shortened daylight during winter in northern latitudes.

In India, we sponsor blood donation camps that allow employees to get screened for Thalassemia disease, which is most common in South Asia, the Mediterranean and Africa. Thalassemia is an inherited blood disorder characterized by a decreased ability of the blood to carry oxygen throughout the body, resulting in fatigue and anemia.

**LA8**

## Company's energy czar boosts personal output to lose 80 pounds

Jon Russett's job requires him to look for ways to save the company energy. But in his personal life, he is constantly looking for ways to expend more energy.

The facilities engineer – who oversees the company's global effort to trim energy costs – lost 80 pounds over the past few years by moving more and eating less.

He ran 50 miles the week he turned 50 last year. "When I was in high school, I was so out of shape I couldn't run a mile, and now I can run five miles a day," says Russett.

The turning point came when Russett saw his doctor before moving from our plant in Belvidere, Ill., to Minneapolis in 2006.

"I was starting a new job with the company, moving to a new city – and my health was not good. I was overweight and on medication for high cholesterol and high blood pressure. Even though I had undergone back surgery a few years earlier, I still needed pain medication for my back. The doctor told me I would have to do something different if I wanted to enjoy my life. He made a very simple suggestion,

which was to eat just half of the food in front of me and throw the rest away, and to start exercising."

And that's just what Russett did. When he moved to Minneapolis, he took advantage of the company fitness center, where he worked out on the treadmill. He increased his time gradually and eventually worked up to a 5-mile run.

Support from his wife, co-workers and company have made a huge difference to Russett.

"At General Mills, the culture of health and wellness is everywhere you turn. There's

the fitness center, the fitness coaches and wellness groups, and other incentives. It's also helpful to see your co-workers exercising. There are plenty of resources and support available – you just have to figure out what works for you," he says.

Just this winter, Russett finally quit wearing his old winter coat – now many sizes too big. But he keeps his old photo on his employee badge, looking at it from time to time to remind himself of his former size – and the effort it took to lose those 80 pounds.



△ Jon Russett conserves energy in his role overseeing the company's global energy-reduction efforts but expends extra personal energy to keep his weight in check.



## Engaging employees in healthy lifestyles

Our Wellston, Ohio, plant was the 2011 winning location of a new award that recognizes the importance of good health to our success as a company.

The North American Supply Chain Global Health Award tracks the success our plants have in engaging employees in a healthy lifestyle, fostering a work environment that supports smart choices and achieving measurable improvements in the fitness of team members.

Wellston grabbed the inaugural trophy with a comprehensive health program that starts as early as new-hire orientation. The plant has a well-used fitness center with a

health monitoring station that gives employees information on blood pressure, heart rate, body mass index and other key indicators. Wellston also offers classes on healthy cooking in the plant's kitchen.

"We know how important our employees' health is for their ability to contribute to General Mills and enjoy activities outside of work to the fullest," says John Church, senior vice president, Supply Chain.

General Mills has been an advocate of workplace wellness programs – and the idea that healthy employees are happier and more productive – for nearly 30 years. Our TriHealthalon program, for example, started in 1975, has a track record of success in using friendly competition to help our sales employees make healthy lifestyle changes.



"We know how important our employees' health is for their ability to contribute to General Mills and enjoy activities outside of work to the fullest."

–John Church, senior vice president, Supply Chain

## 5 million kids

We promote healthy eating and physical fitness with kids through our **Champions for Healthy Kids** program. Since 2002, Champions for Healthy Kids has reached more than 5 million U.S. children with grants totaling more than US\$4.5 million.



## The best of health

The National Business Group on Health named us to its list of "Best Employers for Healthy Lifestyles in 2011."



## Deepening relationships with minority suppliers

General Mills' spending with ethnic minority- and women-owned businesses continues to grow.

General Mills' spending with ethnic minority and women-owned suppliers has grown significantly during the past decade, reflecting the win-win potential on both sides of the table. In fiscal 2011, the spending with these suppliers reached \$552 million, reflecting relationships with vendors that provide everything from energy services to ingredients, legal services to communications support.

Highlights of the year include continued growth, heightened attention to women-owned firms and an initial rollout of a tier-two program that assesses suppliers' own diversity spending.

The program is about relationships. It's about growth. And it's about the potential for impact that reaches deep into our business and our communities.

Just ask MW Logistics, a Dallas-based company that has provided transportation and logistics services to General Mills for several years. The company not only has thrived through the relationship, it also has been able to help kids learn to read through Operation Uplift, a program that has provided thousands of books to Dallas-area school children.

"Our thinking was, if we have any success at all, we ought to try to plow back into our

communities some of our time and some of our resources, to try to help boys and girls," says Randy Bowman, president and co-owner of MW Logistics. The best way to develop a strong relationship with parents is to "demonstrate to working mothers and fathers that you care about their children."

Operation Uplift currently is in the middle of a five-year, 7,500-book effort. The initiative was inspired by the **Cheerios Spoonfuls of Stories** program that since 2002 has given away 50 million books inside Cheerios boxes and donated more than \$3.5 million to First Book, the award-winning nonprofit organization that provides children from

low-income families the opportunity to read and own their first new books.

The strong relationship between MW Logistics and General Mills is not unique.

"This is all about solution development," says Darren Harmon, director of Supplier Diversity & Business Development. "We continually strive to build a solid pipeline that benefits General Mills, our suppliers and our communities."

**For more information on diversity at General Mills, see page 64.**



# 100%

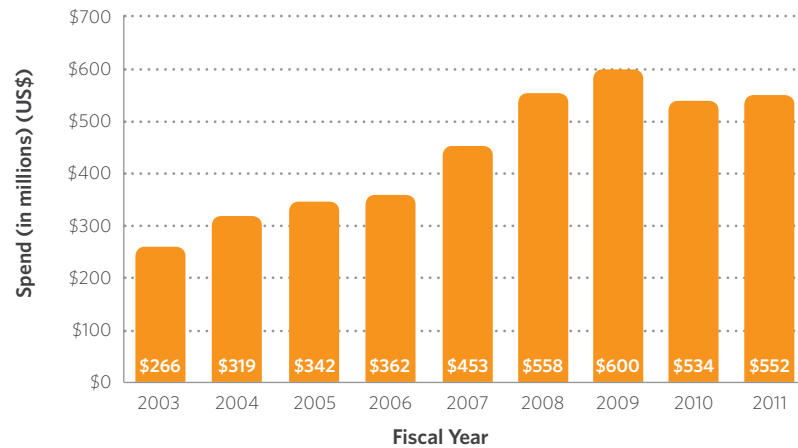
In 2011, General Mills once again received a perfect 100 percent score on the Human Rights Campaign Foundation's corporate equality index, which rates companies on policies and practices related to equality in the workplace.



Minority supplier MW Logistics of Dallas was able to leverage the Cheerios Spoonfuls of Stories program to distribute books to Dallas-area school children. Our deepening relationships with minority suppliers provide benefits on many levels.



### Purchasing history with minority and women-owned suppliers



General Mills' spending with ethnic minority and women-owned suppliers has grown 14 percent annually during the past decade.



### Recognized for our diversity

General Mills' efforts to create an inclusive, supportive workplace were recognized by a number of organizations in 2011, including:

- 40 Best Companies for Diversity, Black Enterprise magazine
- 50 Best Companies for Latinas, LATINA Style magazine
- Best Companies for Asians to Work For, The National Association of Asian American Professionals
- Best Companies for Multicultural Women, Working Mother
- Top 50 Employers, Equal Opportunity magazine
- Best Places to Work for LGBT Equality, Human Rights Campaign Foundation
- Top 50 companies for Diversity, DiversityInc



“We continually strive to build a solid pipeline that benefits General Mills, our suppliers and our communities.” – Darren Harmon, director of Supplier Diversity & Business Development



## Doing the right thing: A core value

At General Mills, we have high expectations for ethical conduct in every aspect of our business. That commitment starts with senior leadership.

Our Ethics & Compliance group, led by the chief compliance and risk officer, is responsible for creating awareness of our ethical standards – ensuring that employees know what it means to behave ethically and act in compliance with our **Code of Conduct** and policies.

Employees are encouraged to seek help when trying to determine the right course of action, either through their manager or via the Ethics Line, which provides for anonymous reporting. The Ethics Line is available around the world 24 hours a day, seven days a week, through a toll-free phone number or online.

At our Ethics in Action event held in February 2011, Pulitzer Prize-winning journalist James Stewart provided an external perspective on the causes of unethical behavior. He cautioned that friendship and loyalty often prevent employees

from speaking up when aware of wrongdoing. Others may justify their actions by stressing that “everyone is doing it.” Wrongdoers also can be motivated by a desire to advance the company – and their own reputations.

In his remarks, Chairman and Chief Executive Officer Ken Powell urged employees to avoid being complacent about ethics and fraud issues. “Don’t be afraid to ask a question or raise a concern,” he said. “We are proud of our stellar reputation, but this isn’t something we can take for granted. We’ve got to keep working on it and honoring it.”

To that end, Powell honored the company’s three 2011 ethics champions:

- An employee from India who notified Human Resources when she mistakenly received pay while on leave.

- An employee from the United Kingdom who refused a vendor’s offer of an all-expense-paid ski trip to Austria.
- An employee from Brazil who notified the finance department and stepped up training when expense report discrepancies were discovered.

Ethics is a companywide, global concern at General Mills. Our Code of Conduct, corporate policies, online training and Ethics Line are available in 11 languages.

## Fraud expert speaks at General Mills

James Ratley, president and CEO of the Association of Certified Fraud Examiners, was at our headquarters in May 2011 to speak on “Understanding the Mindset of the Fraudster.” Ratley discussed several recent high-profile cases of corporate fraud, which costs organizations an estimated 5 percent of annual revenues. In 2008, General Mills adopted a more comprehensive fraud policy that makes being aware of a fraud and not reporting it a violation.



# 24/7

Our Ethics Line is available to General Mills employees around the world 24 hours a day, seven days a week, through a toll-free phone number and online.

In 2011, General Mills was named one of the world’s most ethical companies by the Ethisphere Institute.



**At General Mills, our environmental sustainability mission is to conserve and protect the natural resources our business depends on. We do this by continually improving our environmental performance.**

### Overview

- ★ Working toward sustainability goals
- ★ Burning oat hulls for energy
- ★ Planting trees and cleaning rivers
- ★ Reducing our use of natural resources
- ★ Recycling more of what we do use

### We build consumer loyalty, societal trust and shareholder value by integrating sustainability into our strategies, our operations and our products.

This approach is driven by two movements that continue to gain traction in our company: Continuous Improvement and Holistic Margin Management.

Continuous Improvement (CI) encourages total employee ownership of all of our processes – from plant production lines to our executive management team – to eliminate and prevent waste.

Holistic Margin Management (HMM) is a similar effort. It calls on cross-functional teams to understand

the drivers of value for our brands and to eliminate nonvalue-added costs throughout the supply chain. These savings are then reinvested to further grow our businesses.

Our goal is to accrue US\$4 billion in HMM savings between fiscal 2010 and 2020. We've made substantial progress toward this goal.

Oftentimes, these initiatives result in environmental benefits as well. Take "PrintSmart," for example, which began in 2007 to curb the use of printers and paper at our headquarters in Minneapolis.

By reducing the number of printers – and setting computer defaults to print in black instead of color and on both sides of a sheet of paper – we have:

- **Reduced paper** use by 21 million pages per year.
- **Saved US\$1.1 million** per year.

This is just one of hundreds of examples where an efficiency improvement has resulted in an environmental benefit, and why CI and HMM are at the core of our sustainability program.

**EN 7, EN 26**

## \$42 million

That's a conservative estimate of the amount of money we've saved since 2005 by using Continuous Improvement and Holistic Margin Management tools to make our plants more efficient – and environmentally friendly.

## Working toward our sustainability goals

We're continuing to work toward our fiscal 2015 goal of achieving significant, measurable reductions in solid waste generation, water usage, greenhouse gas emissions and other sustainability metrics.

Fiscal 2011 was a challenging year for progress toward our goals primarily due to a decrease in business volume. Because our goals are rate-based, they're impacted by fluctuations in the amount of product that we manufacture, as well as other factors such as changes to

product mix. With our volume down slightly in fiscal 2011, we made less progress, percentage-wise, toward achieving our goals this fiscal year compared with previous years.

In absolute terms, however, we improved across all of our

sustainability metrics versus last year, meaning that we used fewer resources and generated less waste in fiscal 2011 than in 2010. Plus, several of our facilities and divisions made strong progress toward reducing their environmental footprint this year.

**EN 5, EN 18, EN 26**



### Compared with fiscal 2010, in fiscal 2011 we:

- Reduced the amount of solid waste generated by about **7,000 metric tons**.
- Cut water usage by roughly **560,000 cubic meters**.
- Lowered greenhouse gas emissions by about **10,000 metric tons**.
- Reduced our total energy use by more than **49 million kilowatt hours**.

## General Mills sustainability progress†

Sustainability metric	Energy consumption rate	Greenhouse gas emissions	Water usage*	Solid waste generation	Transportation fuel**	Packaging footprint**
	A 6 percent reduction in our energy consumption rate, about one-third of the way to our 20 percent goal.	An 8 percent reduction in our greenhouse gas emission rate, which is just under halfway to our goal of a 20 percent reduction.	An 11 percent reduction in our water usage rate, halfway to our 20 percent goal. Our North American supply chain operation helped drive that reduction by reducing its water usage rate by almost 5 percent in one year.	A 34 percent reduction in our solid waste generation rate, two-thirds of the way toward our 50 percent goal.	A 15 percent reduction in the transportation fuel we use to ship a pound of product, moving toward our goal of a 35 percent reduction.	27 percent of our packaging volume has been improved, more than halfway toward our 40 percent goal.
Rate reductions FY2005-FY2011	6%	8%	11%	34%	15%	27%
Rate reduction goals by FY2015	20%	20%	20%	50%	35%	40%

\* Measured from fiscal 2006 baseline data.

\*\* Measured from fiscal 2009 baseline data.

† Wholly owned global manufacturing facilities



## Reducing our energy usage

We continue to work toward our 20 percent energy usage rate reduction goal for 2015. In fiscal 2011, our facilities used the equivalent of 539.3 kilowatt hours of energy per metric ton of production – a 6 percent reduction from our 2005 baseline.

Our usage rate remained flat because of lower production volumes. That is due, in part, because we have several fixed energy costs at our plants – equipment like freezers and boilers – that require energy regardless of production volume.

In absolute terms, however, we reduced our total energy

use by more than 49 million kilowatt hours.

We continue to make progress on a number of fronts. Our real-time sustainability teams at each of our plants are identifying energy savings and sharing them broadly so they can be implemented throughout General Mills' facilities.

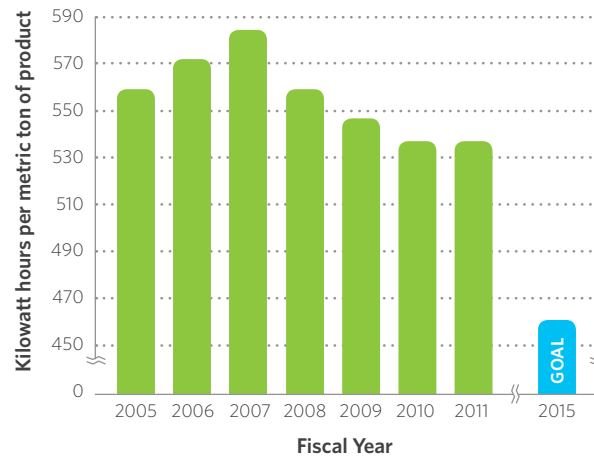
**EN 5, EN 18**

**57 percent**

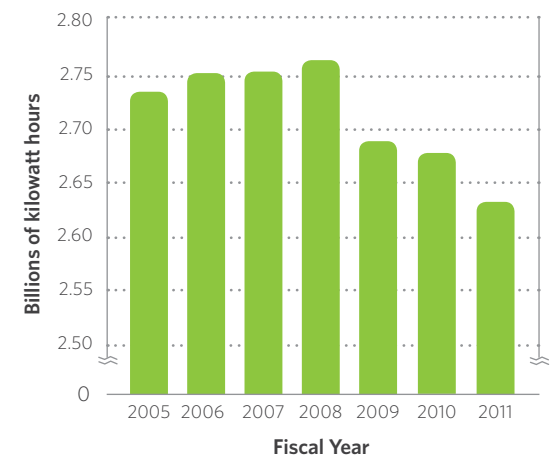
The reduction in electricity used by printers in our Minneapolis offices by consolidating printers and switching to more energy-efficient models.

**EN 7**

**Energy consumption rate**



**Total energy consumed**







## Sharing best practices uncovers energy savings

As one more step toward reaching our 2015 environmental goals, we've launched an energy audit program designed to spread sustainability best practices throughout our production facilities.

A recent audit of our Wellston, Ohio, plant, for example, identified 77 different opportunities for curbing energy use at the facility, from switching to LED lighting in freezers (LEDs can be turned on and off in very cold temperatures, unlike regular lights) to capturing more of the heat generated by everyday production at the plant and reusing it, rather than releasing it into the atmosphere.

In total, these energy-saving opportunities represent about US\$1 million in annual savings for Wellston, while reducing the plant's impact on the environment.

In addition, the audit process is an opportunity for people across the company to learn from each other about energy savings and how to achieve them, says Mark Robinson,

an engineer at our Cedar Rapids, Iowa, plant who helped launch the program. The plan is for key personnel at each audited plant to attend the next plant's audit – to share what they've learned and keep the ball rolling as we strive to work smarter and more sustainably.

**EN 5, EN 7**



### Steaming hot coffee

Our Cereal Partners Worldwide Innovation Center in Orbe, Switzerland, a joint venture with Nestlé, generates its backup steam heat from coffee grounds — one of the unique sustainability features that helped it earn platinum certification (the highest level possible) under Leadership in Energy and Environmental Design (LEED) standards.



## \$1 million

That's the annual energy-saving opportunities identified by a recent energy audit of our plant in Wellston, Ohio.



## Reducing greenhouse gas emissions

We continue to work toward our 20 percent greenhouse gas emission rate reduction goal for 2015. In fiscal 2011, our total greenhouse gas emissions due to energy use in our production facilities was 0.20 metric tons per metric ton of product (as expressed as carbon dioxide equivalents).

This is an 8 percent reduction in our greenhouse gas emission rate, which is just under halfway to our goal of a 20 percent reduction.

Our calculations are based on the U.S. Environmental Protection Agency's Climate Leaders

Greenhouse Gas Inventory Protocol. It should also be noted that General Mills is a participant in the [Carbon Disclosure Project](#).

Essentially all of the greenhouse gases produced by the company's manufacturing plants are

derived from energy usage. We use natural gas, fuel oil and propane, as well as electricity generated by various sources.

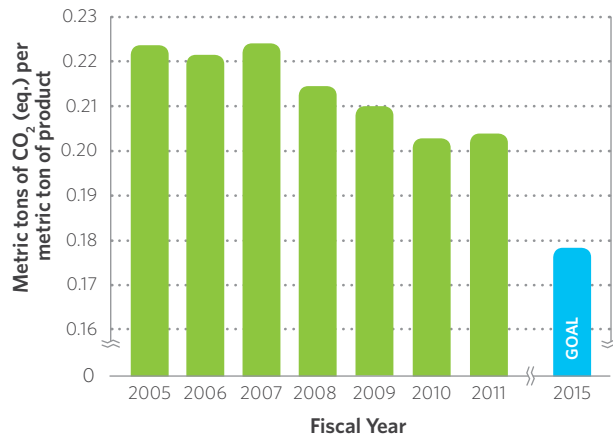
**EN 7, EN 16, EN 18**

### Energy efficiency at Arras

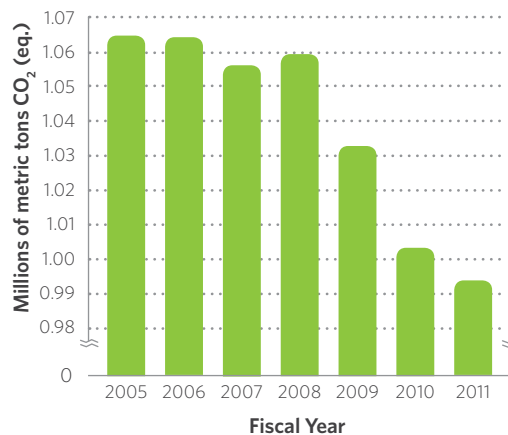
Our Häagen-Dazs plant in Arras, France, has energy efficiency built into its location: All suppliers are local, which results in fresher ingredients but also fuel savings and a smaller carbon footprint. Conserving energy is a priority inside the facility as well. By optimizing its air conditioning system to improve temperature control, ventilation and humidity, for example, Arras saved 578 megawatt hours per year of gas and 824 megawatt hours per year of electricity. Switching to LED lighting in its cold storage area saved another 50 megawatt hours of electricity.

**EN 5**

**Greenhouse gas emissions rate**



**Total greenhouse gas emissions**





## Turning oat hulls into innovation

The use of oat hulls as an energy source for the company's first biomass-powered plant received the 2011 Consumer Packaged Goods Award for Innovation and Creativity from the Grocery Manufacturers Association and its Associate Member Council.

The biomass burner in Fridley, Minn., which opened in January 2011, burns leftover oat hulls from the production of Cheerios to produce 90 percent of the steam needed to heat the plant and produce oat flour. Burning oat hulls cuts the plant's carbon footprint by 21 percent and saves about US\$390,000 per year, mostly from reduced natural gas costs.

"Our biomass burner addressed two compelling business needs - saving money and reducing our footprint on the environment," says Ken

Powell, General Mills chairman and chief executive officer. "We've sharpened our focus on building sustainability into every step, from seed to spoon, and this project is one of the most recent and visible successes from this journey.

"Accomplishments such as the biomass burner inspire and challenge all General Mills employees to dream big when developing creative solutions to make General Mills an even more sustainable company."

In addition to producing steam and heat for the Fridley plant, leftover oat hulls are used by a local electricity provider, Koda Energy, to power approximately 17,000 homes a year.

And the benefits extend beyond energy. After the oat hulls have been burned, the resulting ash is distributed to nearby farmers who use it as a nutrient supplement to improve soil.

**EN 5, EN 7**



**21%**

Burning oat hulls for energy at our Fridley, Minn., plant saves US\$390,000 per year, mostly from lower natural gas costs, and also reduces the plant's carbon footprint by 21 percent.



## Protecting the environment, one tree at a time

Over the past 15 years, General Mills employees have transformed the landscape near our facility in Irapuato, Mexico, by planting thousands of trees — trees raised from seedlings right in the facility’s own greenhouses.

The greenhouses normally are used to germinate vegetable plants grown by Irapuato-area farmers. It’s a seasonal process that leaves some greenhouses empty at times. When space is available, it’s set aside for the cultivation and care of young trees.

Planting trees is a natural fit for our company. Trees absorb carbon dioxide, which helps

curb global warming. They also help prevent the erosion of soil, a precious natural resource that our business depends on.

It takes time and commitment to condition seeds, get them to germinate, transplant them into pots, and then care for the trees until they’re large enough to be planted. Hundreds of employees and their families have volunteered

over the years to nurture ash, pine, pirul, mesquite, jacaranda, huisache and other seedlings to life.

Our employees’ green thumbs are just getting started. Their goal is to plant an additional 1,500 trees every year over the next decade.

The Irapuato team’s vision is to plant enough trees for the facility to become carbon-neutral.

**EN 14, EN 18**



“Trees are our passion, and planting them throughout the community is our way of doing what we can to protect the environment and preserve the soil that is so important to our business.”

- Emilio Lacedelli, Irapuato plant manager



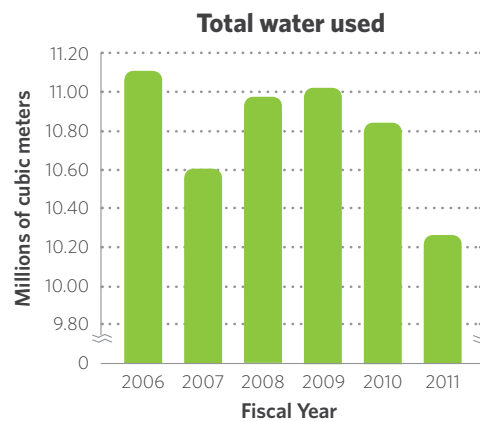
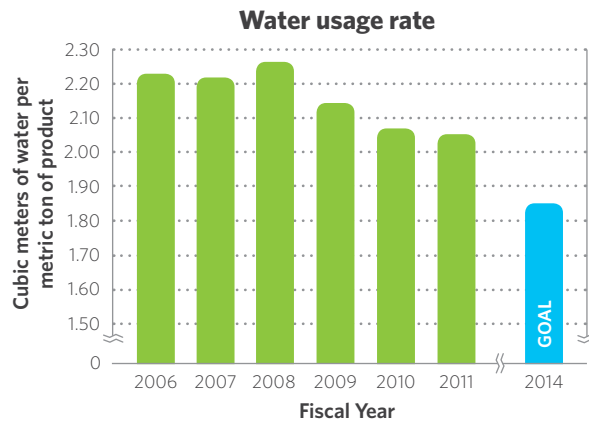
## Reducing our water usage

In fiscal 2011, our total water usage rate was 2.06 cubic meters per metric ton of production – an 11 percent reduction in our water usage rate and halfway to our 20 percent reduction goal.

Water is critical to food manufacturing – it is used as an ingredient, a coolant, and to

clean and sanitize manufacturing equipment. We track the usage of water in each facility to identify

areas of high usage and target opportunities for water conservation.



**1.5 million**

That's the number of gallons of water saved each year by improving the glass jar washer on our Old El Paso line in Hannibal, Mo.

## Saving water by 'greening' our red sauce

Continuous Improvement means looking at the familiar in a different light and trying a new strategy. That's what lead mechanic Jack Coons and focus technician Dusty Yates set out to do in improving the glass jar washer on the Old El Paso sauce line at our plant in Hannibal, Mo.

What they didn't expect was that the improvements would save an estimated 1.5 million gallons of water per year (enough to supply 12 homes for an entire year) and an additional 1,000 million BTUs of energy to heat that water (enough energy to heat about 13 homes for an entire year).

After receiving the jars from our supplier, the plant washes them before filling them with red sauce.

The changes save about US\$22,000 per year (\$12,000 in water savings and about \$10,000 in energy savings).

By simplifying the mechanics behind the jar-washing process, they have improved the overall efficiency of the Old El Paso sauce line – at the same time making the line greener and more reliable with fewer breakdowns.



## Conserving fragile habitats

In 2011, Green Giant concluded a three-year partnership with The Nature Conservancy to help protect the Root River – an ecologically sensitive (and trout-rich) stream in southeastern Minnesota.

In 2009, the General Mills Foundation and our **Green Giant** brand donated a total of US\$300,000 to work with farmers (including growers of Green Giant vegetables) to encourage best management practices to improve the health of the Root River, the Mississippi River into which it flows, and the Gulf of Mexico.

To minimize erosion and improve water quality, project teams have worked with area growers to recover lost wetlands, and construct

storm water ponds and drainage ditches that filter runoff from farm fields using native plants.

General Mills funds were used to help 31 landowners reduce or develop plans to reduce soil erosion on their farms. A total of 12 conservation practices were installed and another 19 are planned. The installed practices have reduced sediment runoff by 486 tons per year, according to The Nature Conservancy’s final report on the three-year project.



The effectiveness of these conservation efforts is being shared with the broader agricultural community. In addition, General Mills funds were used to secure more federal money that was used for conservation efforts along the Root River.

**EN 13**

▼ Photo courtesy of The Nature Conservancy



### Promoting clean water

In May 2011, our Cascadian Farm employees cleaned along the DuPage River Sweep in Naperville, Ill., as part of “Change Flows,” an Earth Day initiative celebrating the brand’s long-standing commitment to sustainability.

**Cascadian Farm** also donated US\$50,000 to the environmental group American Rivers.



## 486 tons

Conservation projects on 12 farms along the Root River in southeastern Minnesota have reduced sediment runoff by 486 tons per year, according to the Nature Conservancy’s final report on the three-year project.



92 percent

According to the Global Water Policy Project, global agriculture consumes 92 percent of all fresh water used annually.

## Identifying and managing our water risks

As part of the development of our sustainable sourcing model (see page 55), we worked with the World Wildlife Fund (WWF) to complete a comprehensive assessment of the water risks associated with key commodities that we use to make our products.

We worked with WWF – the world’s largest conservation organization – in 2010 to map potential water risks in our supply chain for the majority of the dairy, sugar, wheat, and oats used in our products.

This supply chain water risk analysis – developed by WWF – has helped General Mills identify potential physical, regulatory and reputational water risks associated with sourcing these commodities. We have applied this information and developed a water stewardship strategy that will help us work toward improving

water efficiency and managing water risks in both our operations and throughout our supply chain.

The framework behind the water risk analysis conducted for General Mills was leveraged in the creation of WWF’s online Water Risk Filter that was developed with support from DEG, the German Development Bank. We plan to continue to expand our knowledge of our corporate water risk by using the Water Risk Filter to assess and manage water risk in our global operations.

“The work we did together is part of the foundation of the Water Risk Filter that we hope will be used by many more companies to examine their risk with an eye toward reducing their water footprint in water stressed regions and becoming better water stewards,” says Jeff Malcolm, manager of Supply Chains at WWF, who worked with General Mills on the project.

## Paving the way forward

Our Milwaukee plant installed porous, environmentally friendly pavers in its parking lot that help provide cleaner water. Storm water runoff passes through crushed granite between the pavers and then through stones of increasing size – a filtering process that removes impurities before the water enters city sewers.



## Reducing solid waste generation rate

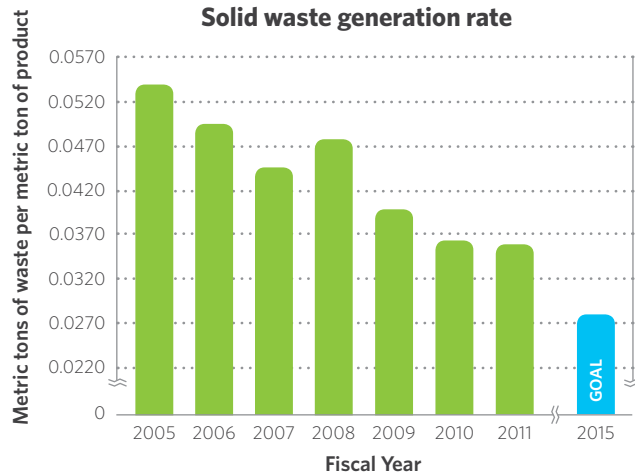
In fiscal 2011, we continued to make progress toward our 2015 goals for solid waste. Our plants generated 0.0355 tons of waste worldwide per metric ton of finished goods – a 34 percent reduction from our baseline year of fiscal 2005.

We continue to reduce our solid waste stream by improving efficiencies in our manufacturing

operations to avoid generating the waste. We also reduce the amount of waste that is sent to

landfills by finding ways to recycle it or use it for other purposes.

**EN 22**



# 34%

That's how much we've reduced our solid waste generation rate since fiscal 2005. Our goal: a 50 percent reduction by 2015.

## Tackling food waste

Recognizing that between 70 billion and 80 billion pounds of food waste is produced every year in the U.S., General Mills began an organic food waste collection program in September 2011.

As of the end of December 2011, more than 50,000 pounds of food has been collected from our cafeteria, Betty Crocker Kitchens, Culinary Kitchen and many other locations throughout our Main Office in

Minneapolis. The food waste is then used as compost, saving it from the landfill, and reducing greenhouse gas emissions in the process.

The program was expanded to our Bassett Creek office building

in December, and we hope to add more locations in the near future. It's estimated that between 20 and 30 percent of the food produced every year in the U.S. is wasted.

**EN 18**



### Totino's minimizes waste

At our Wellston, Ohio, facility, fusers installed on Totino's pizza production lines have significantly improved how well cheese adheres to the pizzas while they're being made, reducing food waste by about US\$200,000 annually.





**75%**

In North America, about 75 percent of General Mills' packaging is recyclable. Approximately 50 percent contains recycled content (post-consumer and post-industrial).

EN 2

## Recycling expands in Albuquerque

One medium-sized trash can now handles all the waste generated by two busy production lines at our plant in Albuquerque, N.M. – a sign of how far the facility has progressed in its commitment to recycling and shrinking its environmental footprint.

The plant currently recycles about 90 percent of its output, up from 48 percent in 2010. That means that every month, about 33 fewer tons of waste go into landfills in the Albuquerque area, says David Mendez, the facility's Continuous Improvement leader.

Working with recyclers, Mendez expanded the plan to include corrugated boxes, and also carton cores, sacks and other items that typically just get tossed out.

The plant also added a new recycling center and a loading dock where its recycling provider keeps a 48-foot trailer on site. When a trailer is full, the recycler removes the ready-to-recycle materials from our facility.

It's an arrangement that's enabled the plant to reduce trash pickups and trips to the recycler, generate about US\$2,500 more per month in recycling revenue, and shrink its landfill output by 80 percent.

### Certified gold

An expansion at our production plant in Albuquerque, N.M., earned LEED certification at the "gold" level in recognition of its energy efficiency and aggressive recycling program. Out of nearly 8,000 LEED-certified projects worldwide, fewer than 10 are food production facilities.



"When economic growth and environmental sustainability come together, it strengthens the health and vitality of New Mexico for all those who live and work here. It is truly a great acknowledgement of what you have done here at General Mills."

– New Mexico Gov. Susana Martinez



## Reducing our use of transportation fuel

In 2011, we reduced the fuel used to ship a pound of product by 15 percent from our 2009 baseline.

The reduction is largely due to increased efficiency in transportation planning, how we load shipments, what delivery methods we choose and how we source.

One of our new transportation efficiency projects uses sophisticated software to get raw materials – like ingredients and paperboard used in our packaging – to our plants more efficiently. It’s projected to save more than US\$4 million

in fiscal 2012 and reduce our greenhouse gas emissions.

The system helps us consolidate and combine loads from different suppliers. Now vehicles are filled as close to capacity as possible, and fewer vehicles and trips are required to get deliveries to our plants.

Another transportation initiative uses an algorithm and software program to better predict and

plan when, where and how our raw materials, products and other inventory should be delivered and stored. It’s expected to save more than US\$2 million annually and reduce our environmental impact.

The prediction capabilities allow us to plan transportation a year out – instead of just a few days out – and that leads to more efficient deliveries.

**EN 18, EN 29**



### 150,000 miles

By consolidating our heavier canned Green Giant vegetables produced in France with our lighter Nature Valley bars and Old El Paso Mexican meal kits made in Spain, we’ve been able to pack sea-going containers more efficiently and transport them to the UK and Ireland. We’ve already trimmed 2.3 million road miles per year by shipping 90 percent of our UK-bound goods by sea. This initiative will reduce an additional 150,000 road miles by allowing more of our goods to be shipped directly to Ireland by sea.



### 35%

We’ve set a goal for our North American operations to reduce the fuel used to ship a pound of product by 35 percent by fiscal 2015 (using fiscal 2009 as a baseline). Achieving this would reduce our greenhouse gas emissions generated from shipping products by 35 percent.



## Promoting sustainable agriculture

### Working to create 'healthier' oats

Thanks, in part, to a General Mills seed grant, a genetic roadmap of oats has been completed that is already spurring more research into making this important food crop an even healthier food source.

Back in 2009, General Mills contributed US\$318,000 to the U.S. Department of Agriculture in hopes that it would encourage others to invest in research about a crop that has been in decline for decades. And that's exactly what has happened.

About US\$1.8 million has been raised (including investments from the North

American Millers' Association and the USDA's Agricultural Research Service) to support the work of an international team at 10 U.S. universities, nine international laboratories and five Agricultural Research Service (ARS) locations.

Using conventional oat-breeding techniques, for example, the researchers are exploring ways to boost levels of

soluble fiber, which has been shown to reduce the risk of heart disease when eaten with a diet low in saturated fat and cholesterol. Researchers are also working to boost levels of healthful vitamin E in oats.



△ Bloggers from throughout the U.S. tour our Green Giant facility in Le Sueur, Minn. – the original “Valley of the Giant” – to learn more about our long-standing sustainable approach to growing vegetables.

### Measuring the environmental impact of wheat and other key crops

General Mills is working with two field-to-market organizations to measure and improve the environmental footprint of growing several crops.

In eastern Idaho in the U.S., General Mills recently launched a three-year pilot project with 25 wheat growers to study the environmental impact of wheat production, which will include data on greenhouse gas emissions, irrigation water use, energy use, soil loss and land use.

General Mills is working on the project through “Field to Market,” the Keystone Alliance for Sustainable Agriculture’s initiative to improve the agricultural supply chain. The alliance is made

up of producers, agribusinesses, food companies and conservation organizations working together to create sustainable outcomes for agriculture.

General Mills is collaborating with the wheat growers to analyze their farming footprint for the 2010, 2011 and 2012 growing seasons. Ultimately, the program will allow growers to share best practices in nutrient management, pest management and other farming practices that will lead

to more environmentally sustainable and economical production of wheat.

A similar effort is under way in western Canada. We’re working with grower groups to study two decades of sustainability indicators – land use, soil loss, energy use and climate impact – on eight different crops, including wheat, oats, lentils, canola, peas and flax.

The approach is similar to the one developed by Field to Market in the

U.S., but tailored to fit the climate and geography of western Canada.

“Whether you are growing oats in Canada or harvesting wheat in Idaho, these projects will help farmers build more sustainable practices into their operations with the goal of improving yields with fewer impacts on the environment,” says Tom Rabaey, a senior scientist with the General Mills Agricultural Research Center.



## Reducing greenhouse gas emissions with organic fertilizers

With guidance from General Mills, more and more farmers from central Mexico are using organic compost from nearby chicken farms – instead of synthetic fertilizer – to spread on broccoli, cauliflower, carrots and celery.

The organic chicken manure was used on about 4,000 acres in fiscal 2011 – up from just 250 acres in fiscal 2009. General Mills acquired a manure spreader that our 50 or so contract growers can use to apply it.

It requires a lot of energy to produce synthetic fertilizer – every pound of synthetic fertilizer generates

about 3 pounds of greenhouse gas. The switch is estimated to reduce greenhouse gas emissions by about 12,000 tons per year, the equivalent of taking 2,000 cars off the road.

The manure is also cheaper than synthetic fertilizer, helps retain soil moisture so the crops require less water and boosts yield by about 3 percent, on average.

“This initiative is a ‘win’ for us on every level,” says Tom Rabaey, a senior scientist with the General Mills Agricultural Research Center. “It takes a byproduct from the poultry industry and uses it to grow vegetable crops – increasing yields, saving farmers money, and reducing water use and greenhouse gas emissions.”

EN 18

**12,000 tons per year**

That’s the amount of greenhouse gases we estimate our contract farmers are saving per year by using organic fertilizer instead of energy-intensive synthetic fertilizer.



**1.1 billion gallons per year**

That’s how much water we estimate is being saved by encouraging more use of drip irrigation in central Mexico. About 43 percent of the acreage used by our contract farmers who grow broccoli and cauliflower now uses drip irrigation, which consumes half the water of conventional furrow irrigation. That is up from about 32 percent in fiscal 2009. In 2008, our Agricultural Research Center established a revolving loan fund that our contract growers can use to buy this more efficient equipment. Our intention is to provide the loans for 10 years so we can expand drip irrigation acres by about 5 percent a year.



## Reducing our packaging footprint

We're on track in our efforts to achieve our 2015 packaging reduction goal. At the end of fiscal 2011, the packaging for 27 percent of our sales volume had been improved.

Four key indicators are used to assess improvement: packaging weight; recycled content and recyclability; renewable content and ability to compost; and truck-loading efficiency. The improvements are measured from our baseline year of fiscal 2009.

Following are some examples of recent improvements, which in total are saving more than US\$12 million per year.

EN 2, EN 26



- In January 2011, we started wrapping the packaging around our chewy Nature Valley and Fiber One bars a little tighter. Trimming the pouch size reduced our wrapping – a metalized flexible laminate material – by more than 200,000 pounds a year.



- A new material allows us to use a thinner plastic liner in our cereal boxes while still maintaining solid protection for our cereal. We changed 43 percent of our retail cereal box volume to this liner, which weighs 10 percent less than the previous plastic liner. The switch, which was fully implemented in the second quarter of fiscal 2011, means we're saving about 775,000 pounds of plastic per year.



- In January 2011, we started using a lighter weight corrugated fiber to pack and display our cases of snacks like Chex Mix, Bugles and Gardetto's in convenience stores. This lighter corrugated fiber means the packaging for each case weighs less by half a pound – or 13 percent. It's saved an estimated 1.1 million pounds of paper-based packaging per year.

750 tons

In the United Kingdom, the Betty Crocker brand is on target to reduce total packaging weight by 750 tons by the end of fiscal 2013. That's one step toward our companywide goal that, by 2015, 40 percent of our global product volume will be sold in improved packaging.



- In 2011, we developed new cereal packaging technology that allows us to pack in more cereal while using less packaging material. What was previously sold as one extra large carton of cereal at club stores, such as Sam's, Costco and BJ's Wholesale, is now being sold as two boxes connected together. This new version – and the technology that packs cereal in more densely – allows us to fill each box with 10 percent more cereal by weight while using less paperboard. The technology will save more than 200,000 pounds of paper weight per year. And because we're fitting more cereal into more compact boxes and more boxes can fit on each truck, it will reduce our trucking needs by 10 percent annually. That saves fuel and reduces our carbon footprint. The new boxes began appearing on store shelves in February 2012.

EN 29



- In 2011, we started shipping our Bugles 7.5-ounce products in a smaller case in the U.S. This more efficient, tighter form allows us to fit more Bugles bags on each pallet, meaning fewer trucks are needed to ship the same amount of product. The packaging change is saving an estimated US\$780,000 a year.

EN 29



- When Cascadian Farm Organic Cinnamon Crunch cereal is shipped, a corrugated paperboard tote or box is used for stacking and shipping. Beginning in August 2011, we started reusing the same corrugated container repeatedly for production and shipping, and this has saved US\$138,000 per year.



### Nine decades of recycling

We began using recycled materials in paperboard cartons in the 1930s. Today, we're among the largest users of post-consumer recycled paper packaging in the United States.





## Summer of Sustainability

The third annual General Mills Summer of Sustainability initiative gave employees from around the globe a chance to share tips on preserving our planet's natural resources, and make concrete changes to how they live and work every day.

The Summer of Sustainability program has driven change in how we operate. Following up on a pledge made last year, for example, our Big G division has reduced printing by more than 30 percent, exceeding its goal of a 20 percent reduction. Every month, each business unit in the division calculates and shares its printing use.

Employees participated in the summer-long series of events by:

- **Contributing** to the Green Spark website, a "green" virtual water cooler where employees discuss sustainability best practices.

- **Creating** videos about sustainability-related projects at work and home. Viewers voted on their favorites, and the winners received cash prizes to donate to one of five environmental organizations.

- **Making** pledges in three areas: saving money, living a healthy lifestyle and sustaining the global community. Employees made pledges to help reduce the company's impact on the environment.

"As a food company, we rely heavily on natural resources to generate the ingredients we use in our products,"

says Paul Earl-Torniainen, General Mills sustainability manager and one of the Summer of Sustainability coordinators. "A food company depends on agriculture, which depends on natural resources, and we need those resources available and intact in order to succeed as a business."

"A food company depends on agriculture, which depends on natural resources, and we need those resources available and intact in order to succeed as a business."

- Paul Earl-Torniainen, General Mills sustainability manager

### Employees worldwide 'Think Global, Volunteer Local'

Employees and retirees from across the company packed food for the hungry, cleaned beaches and city streets, planted trees in parks, and tackled other community-minded projects as part of "Think Global, Volunteer Local," an annual company-sponsored initiative celebrating Earth Day and National Volunteer Week. More than 3,000 employees and retirees from 65 locations worldwide volunteered.

Below: General Mills volunteers in Athens, Greece, replanted an area devastated by wildfire.



## Responsible sourcing

Responsible sourcing is a critical part of our Nourishing Lives mission and business – and we are gratified that our efforts to operate sustainably and ethically have been recognized by several third-party groups, such as the Ethisphere Institute, Corporate Responsibility magazine and Forbes.

Responsible corporations around the world are increasingly making responsible sourcing a material consideration when managing their supply chains.

General Mills believes in the protection of human rights. General Mills' [Supplier Code of Conduct](#), for example, prohibits the use of forced labor and child labor in the making of its ingredients and products. We are signatories to the United Nations Global Compact (UNGC) and are guided by the International Labour Organization's (ILO) 1998 Declaration on Fundamental Principles and Rights at Work. We hold our suppliers to these same principles.

We are committed to reinforcing and elevating our standards every day. **HR 6**

### Cocoa

We care about our ingredients and the lives of the people who produce them. Cocoa is one example. General Mills does not buy cocoa directly from farmers; rather, we source products such as chocolate from ingredient manufacturers. It is our view, however, that a greater share of the benefit of more socially and economically sustainable cocoa production practices should accrue to the people who produce the crop.

Cocoa is one of the priority commodities we are addressing in our sustainable



△ A cocoa farmer in West Africa with a cocoa pod. It's our view that a greater share of cocoa revenue should accrue to the people who produce the crop.

sourcing model. Sustainable methods and improved production practices could help raise living standards for cocoa growers.

In 2011, we joined the World Cocoa Foundation (WCF). This 70-member nonprofit group is working to encourage socially, economically and environmentally responsible and sustainable cocoa farming. It is a multiyear effort that reflects General Mills' core beliefs.

But we also believe we may be able to help cocoa growers by helping to improve the value chain. Too often, too much value accrues to cocoa aggregators and processors, and too little to cocoa growers. Indirect vertical integration holds promise for its potential to link the entire ingredient supply chain to ensure better returns for

growers and producers. Partnering from village to plate is clearly difficult, but increasingly possible. This is the model we are working to advance: generating better sources, improving sustainability, and fostering greater economic vitality for cocoa growing communities.

### Vanilla

A tropical crop, vanilla is grown in a select few areas of the world. Unfortunately, vanilla growers are quite vulnerable to a number of external factors, including price volatility, inclement weather and recurrent crop disease.

General Mills is working to help vanilla growers by deepening global understanding of the vanilla plant itself.



△ Vanilla is produced from vines like this one in Madagascar, an island just west of the southern tip of Africa. We're helping fund a program to map the vanilla genome in the hope that it will help vanilla farmers generate more income and create an improved crop.

Specifically, General Mills is funding cutting-edge research to map the vanilla genome. Already under way at the University of California–Davis, this research will help lay the foundation for natural and conventional breeding improvements to increase disease resistance or even to enhance flavor.

It is our hope that by better understanding the vanilla plant, our efforts will help vanilla farmers generate more income from larger, more consistent, higher-quality crops.

### Palm oil

General Mills is concerned about the role of palm oil expansion in the deforestation of the world's rainforests and about the impact of deforestation on biodiversity, endangered species, greenhouse gas emissions and indigenous peoples.

**52 million**

The United Nations estimates that 5.2 million hectares of forest are being lost globally every year.





△ Our sourcing director, Steve Peterson (with pole), traveled to the Indonesian island of Sumatra in 2011 to examine sustainable palm oil sourcing practices.

To help ensure that our purchases are not in any way associated with deforestation of rainforests, and to reinforce the

development of certified sustainable palm oil production practices, General Mills has committed to striving to source 100 percent of our palm oil from responsible and sustainable sources by 2015.

Our Global Sourcing team is advancing our pledge by identifying and securing sources of sustainably produced palm oil in a phased approach. By taking a leadership position with peers and suppliers – and by supporting necessary work on the ground to encourage sustainable palm oil production – we hope to help champion the production of palm oil in an environmentally and socially responsible way.

On these and other topics, we continue to engage with and learn from a broad network of external groups and partners, such as the World Wildlife Fund, Rainforest Alliance, and Rainforest Action Network.

External engagement helps broaden our perspective and deepen our expertise – and it is a necessary best practice in advancing global social responsibility.

### Eggs

We care about the humane treatment of animals – and we acknowledge the discussion about egg production and the impact of production conditions on egg-laying hens.

In Europe, Häagen-Dazs – our largest international business – is working with local suppliers to increase the volume of eggs available from free-range hens. As a result, we now expect to source 100 percent free-range for all Häagen-Dazs products in Europe in 2013, while continuing to support local sourcing and local suppliers.

To encourage the development of alternative production methods in the U.S., General Mills is buying 1 million cage-free eggs for its U.S. portfolio in 2012.

## Advancing a sustainable sourcing model

With help from several external organizations, General Mills has developed a sustainable sourcing model for ingredients we purchase to make our products.

“The development of this model is a major step forward in our mission to conserve and protect the natural resources that our company depends on,” says Steve Peterson, sourcing director for General Mills. “We now have a solid model to guide us for the future.”

In 2011, we worked to complete a comprehensive, in-depth assessment of all the ingredients and materials we buy worldwide.

They were measured against dozens of potential risk categories, such as animal welfare, greenhouse gas emissions, soil loss, water quality and water use.

Our model calls for us to focus first on ingredients like oats, wheat, vanilla and palm oil. With the model completed, we are now developing specific strategies for sustainably sourcing these ingredients.

In addition, in November 2011, we began asking our top suppliers to complete our “supplier scorecard,” which asks for data on energy use, greenhouse gas emissions, water use and solid waste generation that is associated with the ingredients or material we use to make our products.

We recognize that General Mills accounts for only a portion of the environmental footprint of our products. A large share of the environmental impact occurs upstream of our facilities. With our supplier scorecard, we will be able to make a greater impact on the total footprint.

“We want to be proactive – not reactive in how we source our ingredients,” says Jerry Lynch, vice president and chief sustainability officer. “Our business relies on these natural resources, so we need to do everything we can to protect and conserve them.”

“Our business relies on these natural resources, so we need to do everything we can to protect and conserve them.”

– Jerry Lynch, vice president and chief sustainability officer

# Standards, communication and collaboration

The foundation of General Mills' compliance program concerning responsible sourcing is:

- Our clear commitment to protecting human rights in our own workplace.
- Our communication of our expectations to our suppliers through our Supplier Code of Conduct.
- Our expanding program to assure compliance with our Supplier Code of Conduct.

## Starting with our own workplaces

We have a [Code of Conduct](#) that we communicate to all employees around the world.

The Code reflects our commitment to, and expectations of, our own employees. Through our Code we communicate our commitments:

- To provide a safe and respectful workplace.
- To comply with labor and employment laws.

- To provide an ethical workplace free of corruption.
- To strive to create an environment of mutual trust and respect.

As part of our efforts to meet our high standards, we include all of our own plants in our third-party auditing program. Additionally, we have multiple systems for providing feedback so employees around the world can freely speak up when they have a concern about standards not being met.

For example, we provide our employees with a hotline and website to report concerns – anonymously, if they choose – regarding Code violations.

## Communicating our values and expectations

General Mills is committed to protecting human rights in our workplaces and throughout our supply chain.

Our [Supplier Code of Conduct](#) sets out our expectations of our suppliers in these areas. Together, our Supplier Code of Conduct and Workplace

Standards and Ethical Sourcing Policy set standards for ourselves, as well as for our suppliers, vendors and other business partners, regarding the protection of human rights.

These standards are based in part on the International Labour Organization's 1998 Declaration on Fundamental Principles and Rights at Work. Guided by the 1998 Declaration, General Mills respects the principles of collective bargaining and freedom of association, and prohibition of discrimination, child labor and forced labor – including that associated with human trafficking.

**HR 5, HR 6, HR 7**



△ General Mills is committed to protecting human rights in our workplaces and throughout our supply chain.

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We are signatories to the United Nations Global Compact (UNGC) and are guided by the International Labour Organization's (ILO) 1998 Declaration on Fundamental Principles and Rights at Work.

### Third-party auditing

General Mills uses internationally recognized third-party auditors to test compliance with our responsible sourcing standards at our own plants and with third parties that produce finished goods for us.

We are on pace to complete audits at each of our in-scope finished goods suppliers by the end of 2012. Our team carefully reviews the results of each audit conducted, and, where noncompliance exists, requires remediation.

In 2011, we also revised our audit tool to provide more in-depth data gathering on business integrity and anticorruption matters.

We will continue our efforts in this important area and continue to evaluate the best way forward that is consistent with our values, our codes and our commitment to continuous improvement.

### Broadening our reach, elevating the industry

We continue to be leaders in AIM-PROGRESS, a forum of consumer packaged goods companies assembled to enable and promote responsible sourcing practices.

Through collaboration, on a pre-competitive basis, PROGRESS

members are able to promote responsible sourcing throughout the consumer packaged goods supply chain by sharing best practices, leveraging training and awareness opportunities, and participating in a mutual recognition program.

PROGRESS has a mutual recognition program that allows members and their suppliers to leverage the data collected in audits conducted by other members. Through collaboration and mutual recognition, we increase the capacity of each participating member's responsible sourcing program and facilitate commitment and buy-in from suppliers.

### Responsible sourcing training

In 2011, AIM-PROGRESS held responsible sourcing supplier awareness and training events that were attended by approximately 1,700 people from AIM-PROGRESS

member companies and their suppliers from around the globe.

Four in-person sessions were held in Johannesburg, Beijing, Mexico City, and Nairobi, Kenya. Three webinars were held in Europe and North America. General Mills hosted the North American webinar that was attended by more than 300 people from General Mills, its suppliers and partners, and other AIM-PROGRESS member companies and their suppliers and partners.

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Protecting human rights through our responsible sourcing program is a critical part of our Nourishing Lives mission.



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact**.

We welcome feedback on its contents.

# Replacing BPA in food packaging

**BPA (bisphenol A) has been used for decades to help maintain the safety of many food products.**

Most canned food and drink products on the market today use BPA in the can lining or can lid to protect food from spoiling and prevent metal food packaging from corroding.

Scientific and governmental bodies worldwide have studied BPA and have concluded that the weight of evidence supports its safety.

Despite broad scientific and regulatory consensus on the safety of BPA, we know that some consumers would prefer to see alternatives – particularly

in products intended for small children. General Mills and companies across the food industry are working with suppliers and manufacturers to develop and test can linings that do not use BPA.

Technical challenges remain, but progress is being made. For example, General Mills identified a safe, viable alternative for our Muir Glen tomatoes in the United States, and with the fall 2011 tomato harvest, we successfully transitioned Muir Glen tomato products to cans that do not use BPA.

The liner we now use has been used in food products for over 20 years. The majority of the tomatoes processed on the U.S. West Coast use this type of liner and have done so for many years. Transition has come at a cost, however, and when viable alternatives are identified for other applications, we expect those alternatives to increase the cost of products. Future transitions, when possible, will also take time.

That said, research continues, and we remain optimistic that alternative linings

will be identified for other products in time. As viable alternatives prove safe and effective for other products, we expect can suppliers and the food industry – in response to consumer interest – to convert to alternatives that do not incorporate BPA.

# Minimizing waste while protecting food safety

**Packaging plays a critical role in protecting and ensuring the safety of food, as well as communicating vital nutritional and ingredient information to consumers.**

Packaging also plays a key role in the critical issue of reducing food waste.

The Food and Agriculture Organization of the United Nations (FAO) estimates that, globally, one-third of food is wasted every year.

Packaging can help. To cite one example, according to the U.S. Department of Agriculture, packaged foods and vegetables have more than 50 percent less waste than fresh fruits and vegetables.

But packaging also contributes to landfill waste. Clearly, the challenge is to maximize the effectiveness of packaging in reducing food waste, while minimizing the impact of packaging on raw material usage and the waste stream.

General Mills has long been committed to environmentally thoughtful package design and sourcing. We actually began incorporating recycled content in our paperboard packaging in the 1930s, and today, General Mills is one of the

largest users of post-consumer recycled paper packaging in the United States.

Approximately half of the packaging by weight that we use in the U.S. is recycled content, and we continually look for ways to increase our use of recycled materials.

In 2011, General Mills announced a new packaging metric to guide and drive our efforts in this important area. As part of General Mills' broader commitment to sustainability, we set

a goal of ensuring by 2015 that at least 40 percent of our global product volume will be sold in packaging that has been improved since 2010 through changes to packaging weight, recycled or renewable content, or truckload efficiencies.

**See page 51 to learn more about the gains we've made in reducing our packaging footprint.**

# Supporting global food security

## Ensuring food security is a critical global need.

The world's population surpassed 7 billion in October 2011 – and it is growing. The Food and Agriculture Organization (FAO) projects that the global population will swell to nearly 9 billion by 2040, and the number of middle class consumers – forecast to increase by 3 billion by that date – will increase demand for food exponentially.

The world will need at least 50 percent more food, 45 percent more energy and 30 percent more water to meet this growing need.

That is why fighting global hunger – and sustainably growing and responsibly managing the global food supply – is such a priority for General Mills.

We live in a world already stressed by hunger and volatile food prices. Some countries saw food riots in 2010; tens of thousands protested food price increases in 2011. Food prices and shortages are even cited, in part, for adding fuel to the revolutions that toppled governments.

The need is clear. We must increase global food production by 50 to 70 percent, and we must do so safely – sustaining our planet's land, water and natural resources for future generations.

Though we have long held that biotechnology holds promise to alleviate chronic hunger and prevent disease, and to enhance sustainability, nutrition and taste, we believe the success

of this technology will continue to depend on its ability to achieve broad consumer acceptance and support.

Ingredients improved through biotechnology have been used for 15 years. The U.N. World Health Organization, the FAO, the U.S. Food and Drug Administration, the U.S. Department of Agriculture, the U.S. Environmental Protection Agency, and Health Canada have all found approved biotech crops are as safe and acceptable as their conventional counterparts. Yet, some consumers remain opposed to biotechnology for ethical, religious or cultural reasons.

As a consumer-focused company, General Mills tries to deliver what consumers want and need. For that reason, products we produce for Europe do not use genetically modified ingredients, and we offer our U.S. consumers leading brands of organic products as a non-GMO choice.

Within our own businesses, General Mills is also working to increase yields and sustainably reduce water use. Through conventional plant breeding and seed development, as well as enhanced production practices, our Green Giant vegetable business, for example, now produces twice the sweet corn on the same amount of land as 35 years ago. Our strong embrace of sustainable agriculture practices and production improvements

also enables Green Giant to use less water and 80 percent fewer pounds of pesticides.

General Mills has a positive story to tell as a company. But clearly more must be done to address the issue of global food security.

Global governments and food producers must innovate and collaborate to increase yields on currently producing lands. We must aid and empower farmers to steward arable lands and produce in less productive soils. And we must do all of this using less water and less expensive inputs to conserve important resources.

We would urge greater focus on research, especially on drought and disease resistance among global crops that are and will be critical to world food supplies in decades to come. At the same time, we will restate our opposition to the use of global food crops in the production of alternative fuels, such as ethanol. While we support the development of alternative, sustainable sources of energy, we oppose the use of major food crops as a principal feedstock.

General Mills understands the critical role of food in the world. No issue will be more important than the need to ensure food security for a hungry world. The time is now. In global terms, 2040 is only seconds away.



△ Our "sustainability plot" in Le Sueur, Minn., illustrates how our conventional plant breeding program has doubled sweet corn yields. It now requires just half the acreage (far right) to grow the same amount of corn as it used to take (left) 35 years ago.

# Climate change

**Climate change is a serious issue. The potential effects transcend national boundaries – with broad implications for agriculture and the world’s food supply.**

We see a clear role for responsible companies around the world. We believe every responsible corporate citizen can and should help mitigate the risk of climate change by reducing greenhouse gas emissions.

General Mills is addressing this issue in a number of ways. We reduce our greenhouse gas emissions through improved energy efficiency and the use of diverse energy sources, of course. But we also consider the environmental aspects of packaging design and raw material inputs.

Specifically, General Mills is working to achieve our stated goal of reducing our greenhouse gas emission rate by 20 percent by 2015. As of fiscal 2011, we had already cut our greenhouse gas emission rate by 8 percent from the baseline of 2005.

Most of our greenhouse gas emissions come from our manufacturing plants and from the transportation of ingredients and finished products. Virtually all of the greenhouse gases produced in our manufacturing and distribution systems are the result of burning fossil fuels to generate energy.

Our focus on reducing energy consumption is therefore a complementary goal to reducing greenhouse gas emissions. Our sustainability goal in this area is to reduce

our energy usage rate by 20 percent by 2015. By fiscal 2011, we successfully reduced our energy usage rate 6 percent from our 2005 baseline. In absolute terms, our manufacturing plants consumed more than 100 million fewer kilowatt hours in 2011 than in 2005, using the equivalent of 539.3 kilowatt hours of energy per metric ton of production – nearly one-third of the way toward our 20 percent reduction goal.

Clearly, the challenge of climate change – and the global need to reduce greenhouse gas emissions – will be a focus area of innovation for responsible companies going forward. It’s already a focus of innovation and experimentation for General Mills.

For example, General Mills has been a pioneer in the use of alternative and renewable energy sources. In Fridley, Minn., a biomass unit now burns discarded oat hulls removed in the milling process to produce about 90 percent of the steam needed to heat the plant and make the oat flour used in Cheerios and other products. Burning oat hulls has already reduced the plant’s carbon footprint by 21 percent, saving about US\$390,000 per year, mostly from reduced natural gas costs.

And we’re striving to develop solar and wind power. For example, General Mills’ plant in San Adrian, Spain, is already sourcing 100 percent of its electricity from renewable sources.

In our North American transportation system, General Mills has set a goal of reducing the amount of fuel used to ship each pound of product by 35 percent by fiscal 2015, from a fiscal 2009 baseline. Achieving this goal would reduce the greenhouse gas emissions associated with transporting products by a corresponding 35 percent. We reduced fuel use by 15 percent in fiscal 2011, using this same metric over a 2009 baseline, largely by becoming more efficient with transportation planning, shipment configurations and delivery methods.

We recognize that a significant portion of the environmental footprint of our products occurs upstream of our supply chain – primarily in agriculture. We believe we can also impact those inputs by sourcing responsibly.

For example, in November 2011, we began piloting a “supplier scorecard” that includes data on energy use, greenhouse gas emissions, water use and solid waste generation associated with the ingredients or packaging materials used to make and package our products.



**The General Mills plant in San Adrian, Spain, sources 100 percent of its electricity from renewable sources.**

General Mills has partnered with a number of academic and industry bodies to support and advance sustainable agriculture practices throughout the food chain. We are a member of the [Sustainable Agriculture Initiative \(SAI\)](#), which recently collaborated with the International Dairy Federation to develop a common global carbon footprint approach for dairy. We are also a leading member of Field to Market and the Innovation Center for U.S. Dairy.

Deforestation and forest degradation are also a source of greenhouse gas emissions. Deforestation can be the result of land clearing for agriculture, or tree and timber harvesting for paper and packaging. Trees capture carbon dioxide as part of their natural life cycle. Deforestation

**We believe every responsible corporate citizen can and should help mitigate the risk of climate change by reducing greenhouse gas emissions.**

not only removes “carbon sinks,” but also releases carbon dioxide – along with methane – into the atmosphere.

General Mills has specific policies in place to help reduce or stop deforestation. For example, to help ensure that our palm oil purchases are not in any way associated with deforestation of rainforests, and to reinforce the development of certified sustainable palm oil production practices, we are committed to striving to source 100 percent of our palm oil from responsible and sustainable sources by 2015. This is just one element of our commitment to responsible sourcing of palm oil outlined in detail in our [Statement on Sustainable Palm Oil](#).

Our commitment to sustainable sourcing also extends to beef. We will either be assured that our beef suppliers are not linked to deforestation of rainforests, or we will change our sources of beef supply.

We also focus on the reduction of packaging – along with recyclable and renewable content – through our Packaging Sustainability Metric. Less packaging means fewer greenhouse gas emissions from extracting and processing raw materials like virgin wood and aluminum. Today, General Mills is one of the largest users of post-consumer recycled packaging in the United States, and we continue to work to improve our performance in this area. Our goal is that by 2015, 40 percent of

our global product volume will be sold in packaging that has been improved over the last six years through changes in packaging weight, recycled content, renewable content, or configuration for greater truckload efficiencies.

Responsible corporate citizens around the world are working to minimize the impact of their operations on global warming. Like other concerned companies, General Mills is working to manage and reduce its greenhouse gas emissions both within and beyond our supply chain. You’ll find more about what we are doing to reduce our carbon footprint in our responses to the [Carbon Disclosure Project](#).

**SO 5**



# APPENDIX

## Disclosures on management approach: Environmental

See *Environment* section for goals and performance (page 37).

At General Mills, our environmental sustainability mission is to conserve and protect the natural resources our business depends on. We do this by continually improving our environmental performance.

We build consumer loyalty, societal trust and shareholder value by integrating sustainability into our strategies, our operations and our products.

### Organizational responsibility.

Our chairman and CEO has ultimate accountability for environmental sustainability performance, which is included in his annual performance objectives. In addition, senior executives in Supply Chain, External Relations, and Sustainability have responsibility for development, coordination and execution of programs to achieve corporate-wide goals.

Corporate wide goals are broken down and assigned annually to

the relevant executives within business units, supply chain, and production facilities. Corporate sustainability objectives, performance and strategies are reviewed regularly by the Board's Public Responsibility Committee.

**Training and awareness.** Training occurs with relevant employee groups. Each year, we hold two companywide events – “Think Global, Volunteer Local” and “Summer of Sustainability” – that emphasize the importance of sustainability for the company.

Global Safety and Environment also holds regular meetings where best practices are shared about environmental initiatives. Specific training occurs annually with relevant personnel in each production facility and targeted commercial units.

### Monitoring and follow-up.

Quarterly measurement of progress towards sustainability goals are reviewed with senior management, production facilities, and business units.

## Additional performance indicators: environment

GRI Indicator	GRI description	Fiscal 2011*			Description
EN3	Direct energy consumption by primary source	1.5 billion kwh			Burning of fuel oil, natural gas, and LP gas as expressed in kwh.
EN4	Indirect energy consumption by primary source	1.13 billion kwh			Electricity usage
EN8	Total water withdrawal by source	10.2 million cubic meters			Most of our fresh water is drawn from municipal supplies.
		Ground water 1.2 million cubic meters	Municipal 9 million cubic meters		
EN16	Total direct and indirect greenhouse gas emissions by weight	994,000 metric tons			<b>Scope 1</b> greenhouse gas emissions are generated at our facilities. <b>Scope 2</b> greenhouse gas emissions are generated by the utilities we purchase energy from, typically electricity.
		Scope 1 272,000 metric tons	Scope 2 722,000 metric tons		
EN22	Total weight of waste by type and disposal method	176,000 metric tons			We currently recycle about 80 percent of our total solid waste.
		Recycled 141,000 metric tons	Disposed 35,000 metric tons	Hazardous waste 19 metric tons**	
EN23	Total number and volume of significant spills	No significant spills or releases within our manufacturing operations.			

\*All numbers are approximate.

\*\*Hazardous waste data is for North America only.



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## Disclosures on management approach: Labor practices and decent work

See also *Communities* section (page 20).

**Goals and performance.** At General Mills, we know that year in and year out, engaged and empowered employees drive shareholder value and business performance. Our senior leaders work to inspire and communicate the company's culture and commitment to employees through their actions. We respect, develop and invest in people.

General Mills is a mission-driven company, and our mission is Nourishing Lives. We accomplish our mission by living our values: Do the right thing, all the time; innovate in every aspect of our business; build great brands; respect, develop and invest in our people; and strive for consistently superior performance. Languages and cultures may vary, but our values don't.

General Mills devotes significant attention to shaping the culture as performance-driven, where people work hard to achieve goals and are excited by the challenges of their jobs. At the same time, we strive to provide a workplace that is supportive and does not require employees to lose sight of family and community commitments.

Additionally, we are signatories to the United Nations Global Compact (UNGC) and are guided by the International Labour Organization's (ILO) 1998 Declaration on Fundamental Principles and Rights at Work.

**Employment.** The best companies win talented, committed employees who grow and develop to achieve their highest potential, making significant contributions to the business. This is especially true – and important – at General Mills, because we hire people for a career, not for a specific job. General Mills conducts an annual Climate Survey of all our U.S. employees – both salaried and production employees – so they can provide confidential feedback about what General Mills is doing well and what it needs to improve. Nearly 90 percent of employees participated in our 2010 Climate Survey. The results were the strongest yet, with an 80 percent favorable response overall, up 3 percent from 2008 and nearly 10 percent over the past decade. Additionally, we field a comprehensive Global Climate Survey every other year.

General Mills is committed to providing both our union and non-union production workers with the wages and benefits that recognize their invaluable contributions to our company's success and the economic well-being necessary for raising their families.

**Labor-management relations.** General Mills takes its responsibility to our production workers and their communities seriously. In the U.S., for example, it is not uncommon for a General Mills plant to be one of its community's economic pillars, such as our Hannibal, Mo., operation, which is the largest employer in the area.

We offer competitive pay, retirement programs, employee assistance programs, education assistance and encouragement to give back to our communities. In

addition, we help our employees invest in their futures with wealth-building benefits.

**Occupational health and safety.** Our ultimate workplace health and safety goal is zero injuries and illnesses. General Mills has set interim improvement targets which are the basis for our plant safety metrics. Historically, the company has had one of the best records of our peer food group manufacturers.

General Mills has a corporate policy for workplace health and safety. This policy directs all operations to implement

.....  
**General Mills devotes significant attention to shaping the culture as performance-driven, where people work hard to achieve goals and are excited by the challenges of their jobs.**  
.....

management systems, programs and procedures that will lead the company to our goal of zero injuries and illnesses.

Workplace health and safety is the responsibility of line management and each individual employee. All employees are expected to work safely by following all rules, procedures and training.

Employees are trained in all applicable health and safety subjects relevant to their jobs. This is done to ensure that all employees know how to perform their jobs correctly and to comply with all local, regional and country requirements.

General Mills has an active auditing program to monitor our operations to ensure compliance with all internal and

external expectations. Any deficiencies identified are tracked until completion.

**Training and education.** We are single-minded when it comes to development – we plan for it, we invest in it, we track it and evaluate it. It is essential to develop production employees, salaried employees, managers and executives alike. We're dedicated to always having a depth of leadership trained and ready to step up and take new responsibilities if and when they're needed. Eighty percent of our managers come from

within the company. General Mills consistently receives **external recognition** for our performance in this area.

At General Mills, development takes many forms. The opportunities are extensive, available and supported throughout the company – from an employee's Individual Development Plan (IDP) to our Great Manager initiative, and from mentoring and courses at the General Mills Institute to peer networking. There are numerous programs, courses and online learning classes that support professional development, networking opportunities and diversity and inclusion programs.

**Diversity and inclusion.** At General Mills, diversity is both a value and a

business strategy. Embracing diversity helps us attract and retain top talent while driving innovation and consumer engagement around the world.

General Mills creates a diverse workforce by recruiting the best and brightest talent from all communities. We cultivate an inclusive environment by considering all dimensions of diversity – not just the primary areas such as gender, race and sexual orientation – but also cultural aspects including values, preferences, beliefs and communication styles.

General Mills fosters inclusion by living all of our core values, including respecting, developing and investing in our employees. Our employees are developed through participation in professional development training, mentoring programs and employee networks. Experience has taught us that what’s measured gets done, and so we have a suite of metrics that we leverage to monitor and advance our diversity efforts. We also seek to fully integrate diversity and inclusion into existing HR practices.

General Mills is committed to increasing the diversity of its suppliers. Our first-tier spending with minority and female owned businesses exceeded \$550 million in fiscal 2011. The company now has created Partners in Diversity for companies doing business with General Mills that share our commitment to workforce and supplier diversity.

**Equal remuneration for women and men.** We believe our compensation, benefits and incentive plans are among the best in our industry. That’s because we also believe our people are the best.

- At General Mills, we value all our employees and reward them with a highly competitive “Total Rewards” compensation and benefits package.
- We have good relationships with our unions. Our labor contracts are typically settled on time and without work disruptions.
- Our Annual Performance and Awards statement was developed and revised in response to employee suggestions.

General Mills prohibits discrimination based on age, race, sex, national origin, disability, citizenship, sexual orientation or other class protected by law.

This Equal Employment Opportunity (EEO) policy applies to employment practices and procedures including compensation practices.

**Organizational responsibility.** Our Chairman and CEO has ultimate accountability for ensuring a healthy, productive and motivated workforce. Governance for our labor practices lies primarily within our Human Resources, Legal and Supply Chain organizations. At an operational level, the Human Resources organization leads key employee initiatives in partnership with company business

leaders at multiple levels. Reflecting the importance of people to our business, General Mills has a vice president of Global Diversity and Inclusion; a vice president of Global Health Services; a vice president of Engineering, Global Safety and Environment; and a Chief Learning Officer.

At the board level, the Compensation and Public Responsibility Committees maintain responsibility for issues related to labor and decent work.

**Training and awareness.** See *Training and Education* on page 63.

**Monitoring and follow-up.** General Mills has established key metrics and measurement approaches to understand performance as it relates to labor and decent work. Examples include a refined performance management process, annual employee surveys and a clearly articulated Code of Ethics.

.....  
At General Mills, diversity is both a value and a business strategy. Embracing diversity helps us attract and retain top talent while driving innovation and consumer engagement around the world.

## Workplace Safety and Environmental Protection Policy

General Mills will operate in a manner that promotes a safe workplace and protection of the environment. The responsibility and accountability for effective injury prevention and pollution prevention rests with each employee and each business unit manager.

1. Every business unit manager and each employee shall comply with all applicable laws, regulations and Company standards pertaining to workplace safety and environmental protection.
2. Our efforts are based on the following values:

- Injuries and pollution are preventable.
- Nothing we do is worth getting injured or damaging the environment.
- Everyone is responsible for their own safety and protecting the environment.

Each business unit will implement a safety and environmental management system based on the following areas:

- Commitment of management and expectations for employees
- Involvement of all employees
- Goal setting and action planning
- Checking and corrective action
- Technical and regulatory programs
- Safe and environmentally sound practices

- Effective training for all employees
- Continuous improvement of our programs and standards

In the event of an incident, it must be thoroughly investigated to find the root causes and prevent recurrence. Business units need to manage injuries to ensure that employees receive appropriate care and return to useful employment as soon as medically able. They must also respond in a timely and effective manner to a spill or release to protect employees, the public and the environment.

3. Our Department of Health, Safety and Environment shall: (a) develop, implement and administer effective safety and environmental programs, (b) develop guidelines and programs

to assist in complying with government regulations, (c) review and audit safety and environmental programs, (d) advise the Company on potential safety and environmental risks, including those involved with acquisitions and divestitures, and (e) lead efforts toward continuous improvement in safety and environmental protection; in consultation with the Law Department and other appropriate personnel.

4. Our Law Department shall work with the business units and the Department of Health, Safety and Environment to identify and manage risks associated with safety and environmental issues, and shall provide legal advice and guidance regarding safety and environmental laws.

### (LA7) Rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities by region and by gender

	Recordable Injury Rate	Lost-Time Rate	Days Lost Rate
North America	1.91	0.28	11
International	2.81	1.97	24
Global	2.11	0.66	14

- Total number of employees tracked = approximately 28,000
- Injury rates do not include first aid

### (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

Composition of governance bodies: See also [GeneralMills.com/investors](http://GeneralMills.com/investors)

Employees: Numbers take into account approximately 90 percent of global workforce.

#### Gender

Male	Female
57.63%	42.36%

#### Age

Age	Percent
<30	23.6%
30-49	51.8%
Age 50+	24.6%

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## Disclosures on management approach: Human rights

See also *Issues section (page 56)*.

**Goals and performance.** General Mills is committed to protecting human rights in our workplaces and throughout our supply chain. As signatories to the United Nations Global Compact (UNGC) and the International Labour Organization's (ILO) 1998 Declaration on Fundamental Principles and Rights at Work, we are guided by broad international frameworks.

### Organizational risk assessment, impact assessment, training and awareness.

Our [Code of Conduct](#) and Workplace Standard and Ethical Sourcing Policy help our employees understand these issues, and act in accordance with company policies addressing employee health and safety, labor standards, environmental protection, and anti-corruption.

Our [Supplier Code of Conduct](#) details our expectations of our suppliers in these areas. Together, our Workplace Standards and Ethical Sourcing Policy and our Supplier Code of Conduct set standards for ourselves, as well as for our suppliers, vendors and other business partners, regarding the protection of human rights.

These standards are based in part on the ILO 1998 Declaration on Fundamental Principles and Rights at Work. Guided by the 1998 Declaration, General Mills respects the principles of collective bargaining and freedom of association, and

prohibition of discrimination, child labor and forced labor – including that associated with human trafficking. A third party [auditing program](#) helps ensure – should we find or become aware of violations of our standards – required remediation.

**Organizational responsibility.** At General Mills, we believe that responsibility for human rights lies with each employee and in every decision. Senior leaders across key functions like Supply Chain, Legal, Human Resources and External Relations provide guidance and set policies related to human rights.

### Monitoring, follow-up and remediation.

We are leaders in the AIM-PROGRESS Responsible Sourcing task force, whose mission is to promote responsible sourcing by sharing best practices and promoting efficiency in the packaged goods supply chain.

We believe that the protection of human rights through responsible sourcing is a critical part of our *Nourishing Lives* mission. As with all of our efforts, we continually seek ways to improve our entire supply chain's performance in this important area.

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## Disclosures on management approach: Society

See also *Communities section (page 20)*.

**Goals and performance.** General Mills is proud of our legacy as a strong corporate citizen. We believe that as a business, we create value through our products, business practices and actions in broader society. Being a trusted corporate citizen is fundamental to our values and our mission of Nourishing Lives.

Our Code of Conduct for Employees reflects this commitment to our mission and our value, "Do the right thing." We have high expectations for ethical conduct in every aspect of our business. General Mills' global reputation as an ethical company depends on each employee to always act consistent with the law, our policies and our values. General Mills employees receive a Code of Conduct that outlines our ethical expectations and provides practical tips and examples for how to act with integrity in every decision, every action, every day.

**Organizational responsibility.** Our Ethics & Compliance group, led by our chief compliance and risk officer, is committed to continuing General Mills' long-standing culture of integrity by ensuring that employees know what it means to behave ethically and to act in compliance with our Code of Conduct and policies. In addition, key business leaders own responsibility for ethical market and brand development.

**Training and awareness.** We achieve these goals by regularly communicating and training.

For an overview of our policies and actions as it relates to ethics and compliance, please reference our [Code of Conduct](#).

### Additional contextual information.

For over 50 years, the General Mills Foundation has made grants to the [communities](#) in which we operate. Our Foundation recognizes the great opportunity and responsibility we have to unleash the power of food to nourish lives of families around the world. Our giving focuses on three key areas: hunger, nutrition and wellness, and fitness. We support the communities in which our employees work and, in recent years, have become engaged in Africa to promote food security.

As a company, we have given away over \$1 billion in [grants](#), product donations and corporate contributions since the Foundation was created in 1954.

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## Performance indicators: society

### (SO2) Business units analyzed for risks related to corruption.

We recently conducted a comprehensive corruption risk assessment across our international business operations. This assessment included analysis of specific business operations data, geographic corruption risk, electronic employee questionnaires and live employee interviews. The results of this risk assessment were then used to inform our global anticorruption compliance program and internal anticorruption controls.

We also include corruption as a risk factor in the annual risk assessment fielded by our Global Internal Audit function. This risk assessment touches all of our business units around the world. In addition, we ask detailed questions related to corruption risk during each routine, in-depth business unit audit by our Global Internal Audit team.

### (SO4) Action taken in response to incidents of corruption

All allegations of bribery and corruption relating to General Mills' business operations are promptly and thoroughly investigated, in accordance with our Ethics & Compliance procedures and corporate policies. Upon completion of the investigation, our Ethics & Compliance team oversees appropriate disciplinary actions (including termination of third-party relationships), remediation steps and internal/external reporting.

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## Disclosures on management approach: Product responsibility

**Goals and performance.** As a consumer foods company, General Mills is committed to the safety of the products we produce and market around the world. That commitment is fundamental to the way we do business.

This emphasis on food safety has long addressed issues such as spoilage and contamination, as well as allergenicity and ingredient simplification.

We work hard to prevent problems before they occur, and maintain stringent internal standards and requirements to ensure safety across all processes and operations. The company continually reviews its processes and procedures.

**Policy.** More than 30 years ago, General Mills developed the Hazard Analysis and Critical Control Points (HACCP) process with NASA. HACCP details a process for ensuring food safety by identifying critical stages in the production process in order to minimize or eliminate potential food safety issues.

Today, the comprehensive HACCP preventive process is not only required of General Mills' businesses around the world, but it has also become the food industry's gold standard.

General Mills adopts and applies the same high safety and quality standards everywhere we do business. All employees are stewards of our brands, and food safety is integral to this mission.

We spend five times the amount on food safety we spent five years ago, and our supplier audits have increased dramatically in recent years. In fiscal 2011, we conducted more than 800 supplier audits.

### **Organizational responsibility.**

Operationally, product responsibility lies within the R&D and Marketing organizations. Responsibility for consumer health and safety, product and service labeling is held by the senior vice president of Supply Chain, senior vice president of R&D and the vice president of Quality and Regulatory Operations. Responsibility for Marketing communications is held by the Chief Marketing Officer.

**Training and awareness.** In October 2011, we held our first "supplier school" – whose theme was "Protect-Educate-Partner" – to help our ingredient suppliers improve food safety, sanitation and quality management. We plan to hold more sessions in 2012 and beyond.

We are also working to build a safer global food system. We – along with several other food companies – are collaborating with the Partnership Training Institute to develop a food safety curriculum that can be broadly shared.

# GRI G3.1 Sustainability Report Content Index

Profile Disclosures			
Profile Disclosure and Description	Reported	Location/page(s)	
<b>Strategy and Analysis</b>			
<b>1.1</b>	Statement from the most senior decision-maker of the organization	●	p.1, Annual Report, General Mills Foundation Report to the Community
<b>1.2</b>	Description of key impacts, risks, and opportunities.	●	p. 2-7, p. 54-61, 10K
<b>Organizational Profile</b>			
<b>2.1</b>	Name of the organization.	●	10K
<b>2.2</b>	Primary brands, products, and/or services.	●	p. 5, 10K
<b>2.3</b>	Operational structure of the organization.	●	Annual Report
<b>2.4</b>	Location of organization's headquarters.	●	10K
<b>2.5</b>	Number of countries where the organization operates.	●	GeneralMills.com/countries
<b>2.6</b>	Nature of ownership and legal form.	●	10K
<b>2.7</b>	Markets served.	●	GeneralMills.com/countries
<b>2.8</b>	Scale of the reporting organization.	●	Annual Report
<b>2.9</b>	Significant changes during the reporting period regarding size, structure, or ownership.	●	Annual Report
<b>2.10</b>	Awards received in the reporting period.	●	GeneralMills.com/awards
<b>Report Parameters</b>			
<b>3.1</b>	Reporting period.	●	p. 7
<b>3.2</b>	Date of most recent previous report.	●	April 2011
<b>3.3</b>	Reporting cycle.	●	p. 1
<b>3.4</b>	Contact point for questions regarding the report or its contents.	●	p. 7
<b>3.5</b>	Process for defining report content.	●	p. 6
<b>3.6</b>	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	●	p. 7

Profile Disclosures			
Profile Disclosure and Description	Reported	Location/page(s)	
<b>Report Parameters</b>			
<b>3.7</b>	State any specific limitations on the scope or boundary of the report.	●	p. 7
<b>3.8</b>	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.	●	10K
<b>3.9</b>	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.	●	p. 8-9, p. 30, p. 37
<b>3.10</b>	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).	NA	
<b>3.11</b>	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	NA	
<b>3.12</b>	Table identifying the location of the Standard Disclosures in the report.	●	p. 68-71
<b>3.13</b>	Policy and current practice with regard to seeking external assurance for the report.	●	p. 2
<b>Governance, Commitments, and Engagement</b>			
<b>4.1</b>	Governance structure of the organization.	●	GeneralMills.com/investors (corporate governance)
<b>4.2</b>	Indicate whether the Chair of the highest governance body is also an executive officer.	●	GeneralMills.com/investors (corporate governance)

Key to indicators: ● Fully ○ Partially NA not applicable

## Profile Disclosures

Profile Disclosure and Description	Reported	Location/page(s)
<b>Governance, Commitments, and Engagement</b>		
<b>4.3</b> 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.	●	GeneralMills.com/ investors (corporate governance/board of directors)
<b>4.4</b> Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	●	GeneralMills.com/ investors (corporate governance/contact the board)
<b>4.5</b> Linkage between compensation for members of the highest governance body, senior managers, and executives and the organization's performance.	●	2011 Proxy Statement GeneralMills.com/ investors (annual and other reports)
<b>4.6</b> Processes in place for the highest governance body to ensure conflicts of interest are avoided.	●	GeneralMills.com/ investors (board of directors), Code of Conduct
<b>4.7</b> 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.	●	GeneralMills.com/ investors (corporate governance)
<b>4.8</b> Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	●	GeneralMills.com/ company (mission)
<b>4.9</b> Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance.	●	GeneralMills.com/ investors (corporate governance)
<b>4.10</b> Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	●	GeneralMills.com/ investors (corporate governance)

## Profile Disclosures

Profile Disclosure and Description	Reported	Location/page(s)
<b>Governance, Commitments, and Engagement</b>		
<b>4.11</b> Explanation of whether and how the precautionary approach or principle is addressed by the organization.	●	GeneralMills.com/ responsibility (environment/ sustainability)
<b>4.12</b> Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	●	p. 6-7
<b>4.13</b> Memberships in associations or advocacy organizations.	●	p. 6-7
<b>4.14</b> List of stakeholder groups engaged by the organization.	●	p. 6-7
<b>4.15</b> Basis for identification and selection of stakeholders with whom to engage.	●	p. 6-7, p. 44-45
<b>4.16</b> Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	●	p. 6-7, p. 44-45
<b>4.17</b> 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.	●	p. 2-7, p. 54-61

Key to indicators: ● Fully ○ Partially NA not applicable

## Disclosures on Management Approach and Performance Indicators

Economic DMA EC		Annual Report, 10K	
Performance Indicator and Description	Reported	Location/page(s)	
<b>Economic Performance</b>			
<b>EC1</b>	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments.	●	Annual Report, 10K, GeneralMills.com/foundation
<b>EC2</b>	Financial implications and other risks and opportunities for the organization's activities due to climate change.	◐	p. 60-61, Carbon Disclosure Project
<b>EC3</b>	Coverage of the organization's defined benefit plan obligations.	●	10K
<b>Environmental DMA EN</b>		<b>p. 36, p. 62</b>	
<b>Materials</b>			
<b>EN2</b>	Percentage of materials used that are recycled input materials.	●	p. 47, 51
<b>Energy</b>			
<b>EN3</b>	Direct energy consumption	●	p. 62
<b>EN4</b>	Indirect energy consumption by primary source.	●	p. 62
<b>EN5</b>	Energy saved due to conservation and efficiency improvements.	●	p. 37-41
<b>EN7</b>	Initiatives to reduce indirect energy consumption and reductions achieved.	●	p. 36-41
<b>Water</b>			
<b>EN8</b>	Total water withdrawal by source.	●	p. 62

## Disclosures on Management Approach and Performance Indicators

Performance Indicator and Description	Reported	Location/page(s)
<b>Biodiversity</b>		
<b>EN13</b>	Habitats protected or restored.	◐ p. 44
<b>EN14</b>	Strategies, current actions, and future plans for managing impacts on biodiversity.	◐ p. 42
<b>Emissions, Effluents, and Waste</b>		
<b>EN16</b>	Total direct and indirect greenhouse gas emissions by weight.	● p. 40, 62
<b>EN17</b>	Other relevant indirect greenhouse gas emissions by weight.	● p. 40, Carbon Disclosure Project
<b>EN18</b>	Initiatives to reduce greenhouse gas emissions and reductions achieved.	● p. 37-38, 40, 42, 46, 48, 50
<b>EN22</b>	Total weight of waste by type and disposal method.	● p. 46, 62
<b>EN23</b>	Total number and volume of significant spills.	● p. 62
<b>Products and Services</b>		
<b>EN26</b>	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	● p. 36-37, 51
<b>Transport</b>		
<b>EN29</b>	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	● p. 48, 52

Key to indicators: ● Fully ◐ Partially NA not applicable



## Disclosures on Management Approach and Performance Indicators

### Social: Human Rights DMA HR

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Performance Indicator and Description	Reported	Location/page(s)
<b>HR5</b> <b>Freedom of Association and Collective Bargaining</b> Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk.	●	p. 56, GeneralMills.com/responsibility (sourcing)
<b>HR6</b> <b>Child Labor</b> Operations and significant suppliers identified as having significant risk for incidents of child labor.	●	p. 54, 56, GeneralMills.com/responsibility (sourcing)
<b>HR7</b> <b>Forced and Compulsory Labor</b> Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor.	●	p. 54, 56, GeneralMills.com/responsibility (sourcing)

### Social: Labor Practices and Decent Work DMA LA

p. 29, p. 63

<b>LA7</b> <b>Occupational Health and Safety</b> Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	●	p. 30, 65
<b>LA8</b> Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	●	p. 31, 63

## Disclosures on Management Approach and Performance Indicators

### Performance Indicator and Description

### Reported

### Location/page(s)

<b>LA13</b> <b>Diversity and Equal Opportunity</b> Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	●	p. 64-65 Annual Report; GeneralMills.com/ investors (corporate governance)
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### Social: Society DMA SO

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<b>SO2</b> <b>Corruption</b> Percentage and total number of business units analyzed for risks related to corruption.	●	p. 35, 66
<b>SO4</b> Actions taken in response to incidents of corruption.	●	p. 66
<b>SO5</b> Public policy positions and participation in public policy development and lobbying.	●	p. 54-61, GeneralMills.com/responsibility (communities/civic involvement)

### Social: Product Responsibility DMA PR

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<b>PR1</b> <b>Customer Health &amp; Safety</b> Life cycle stages in which health and safety impacts of products and services are assessed for improvement.	●	p. 2-4, 9, 11-12, 14, 67
<b>PR6</b> <b>Marketing Communications</b> Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	●	p. 4, 18-19