

Corporate Social Responsibility 2010



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To our stakeholders



Ken Powell, Chairman,
Chief Executive Officer
General Mills

Welcome to our 2010 Corporate Social Responsibility report. This marks our 40th year of reporting back to the community on how we're doing.

Although our first report to the community in 1971 was pretty basic, it's grown steadily ever since. We feel our 2010 report is our most comprehensive ever. We hope you'll agree.

You'll learn how we're working to improve the health profile of the food we make, how we're helping strengthen communities and how we're continuing to progress toward our environmental goals.

Our mission at General Mills is *Nourishing Lives*. To truly live that mission means going far beyond achieving financial success. It includes *Nourishing Communities* around the world by volunteering and giving to

worthwhile causes, and *Nourishing the Future* by helping to preserve and protect the environment for generations to come.

We're proud of our progress in all of these areas – and we believe our track record over the decades speaks louder than words. For example:

- By June of 2010, we will have improved the nutritional profile of half of our U.S. Retail portfolio since 2005. *Reducing sugar* in kid cereals is just one of the many improvements we're making while *Nourishing Lives*.
- We will again contribute about 5 percent of our pretax profits to philanthropic and charitable causes. Proudly, we note that 82 percent of our U.S. employees volunteer in their communities and for companywide efforts like our initiative to *empower women and girls* in Africa. With the support of our shareholders, we treasure knowing that this ongoing commitment places us among a very select group of companies in *Nourishing Communities*.

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Our mission at General Mills is *Nourishing Lives*. To truly live that mission means going far beyond achieving financial success. It includes *Nourishing Communities* around the world by volunteering and giving to worthwhile causes, and *Nourishing the Future* by helping to preserve and protect the environment for generations to come.

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- We're also *Nourishing the Future* by finding new and innovative ways to trim waste and reduce our environmental footprint. The oat hulls we remove in milling flour to make *Cheerios*, for example, are being used to make electricity. Soon we will be using *oat hulls* as an energy source to heat and mill oat flour at one of our plants.

We will continue to work to reduce our carbon footprint by moving beyond our walls and expanding our efforts across the entire food value chain.

We're *partnering with farmers* around the world to reduce water and pesticide use. We're collaborating with suppliers so they can more efficiently deliver their products to us.

General Mills' goal is to stand among the most socially responsible consumer food companies in the world. We recognize that we face many challenges ahead, and are working to develop and extend a new set of environmental goals. But we sincerely believe that we can "do well" for our shareholders, while continuing to "do good" for our customers, our communities and our planet.

As always, we welcome your *questions and comments* – and we hope you will join us in making General Mills a more sustainable company and the world a better place.

Introduction

Our mission at General Mills is *Nourishing Lives*[®] – making lives healthier, easier and richer. Every day throughout the world our 30,000 employees work to carry out this mission.

We make lives healthier with foods such as *Yoplait* yogurt, *Progresso* soups, *Green Giant* vegetables, ready-to-eat whole grain cereals like *Cheerios*, and organic food like *Cascadian Farm* vegetables and *Lärabar* energy bars.

We make lives easier with foods that are simple to prepare – like a *Pillsbury* crescent dinner roll that can be baked in minutes or a *Totino's* frozen pizza that can be popped into the oven and served. We have more than 400 products that can be made in 15 minutes or less, and even more that are ready to eat.

We make lives richer with foods to celebrate special moments – whether it's a *Betty Crocker* cake for a child's birthday, a *Nature Valley* bar to enjoy while on a hike or the trimmings for a festive holiday meal.

Included in our *Nourishing Lives* mission is a commitment to *Nourishing Communities* around the world by volunteering and giving to worthwhile causes, and *Nourishing the Future* by helping to preserve and protect the environment for generations to come.

This marks our 40th year of reporting back to the community on the progress we've made over the past year. That first report in 1971 was little more than a listing of the grants made by the General Mills Foundation.

But since then, our reporting to stakeholders has continued to expand – with this year's report, we

believe, the most comprehensive ever. Our 40-year record of reporting to the community underscores the importance we place in honestly and openly communicating with our many stakeholders.



OUR COMPANY
(fiscal 2009)

Net sales	\$15.9 billion*
Net earnings	\$1.3 billion
Community contributions	\$90.7 million
Employees worldwide	30,000
Operates in more than	100 countries
Markets more than	100 consumer brands

*includes \$1.2 billion proportionate share of joint venture net sales

CSR report organization

This report is organized into three sections to align with our mission:

- Health, which outlines the progress we're making toward *Nourishing Lives* through our food products, and how we're improving the nutritional profile throughout our portfolio.
- Communities, which outlines the many ways we *Nourish Communities* by engaging with stakeholders – whether via the General Mills Foundation, volunteering, brand philanthropy such as Box Tops for Education – and our suppliers. We also include our employees among our stakeholders.
- Environment, which outlines the progress we're making toward *Nourishing the Future* by reaching for our environmental goals.

Our overall progress in each of these areas is reported for fiscal year 2009, and you'll find a summary of specific metrics in the first few pages of each section. We also include information about some of our other activities in these areas for the entire calendar year of 2009 (and occasionally fiscal 2010 data is used to illustrate progress on new initiatives).

Introduction



Engaging stakeholders

We're a little unusual in that we prepare a CSR report every year and have done so for a very long time. This is one of the many ways in which we engage on a regular basis with our stakeholders.

We solicit input from groups like Ceres— a coalition of investors, environmental organizations and other public interest groups that work 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 business, 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.

In addition, 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.

Standardized reporting

At some point in the future, we expect reporting on sustainability issues to become standardized in the same manner as financial reporting is required to follow a set of formal rules. We are preparing for that day and welcome efforts by the American Institute of Certified Public Accountants and others who are working to make this happen.

This is one reason why we have added representation from our finance group to our sustainability efforts. Another is that adding this expertise should further help to enhance our level of rigor and discipline on how we measure and improve our environmental performance.

This report is assembled with help from teams throughout General Mills. But the ultimate owners are our leadership team, including Chris Shea, 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.

Introduction

Recognition for our efforts

Our efforts to build a sustainable and responsible organization have been recognized by several third-party groups.

For the third time in four years, General Mills was named in the **top 10 of Corporate Responsibility** magazine's "**100 Best Corporate Citizens.**" Our company was No. 3 in 2010 and No. 2 in 2009.

"More than a lucky charm, General Mills sees CSR as an extension of its healthy foods branding," wrote Corporate Responsibility magazine in its recap of the company's sustainability efforts. "For General Mills, corporate social responsibility and corporate citizenship are a way of life."

The ranking is regarded as the top corporate responsibility ranking based on publicly available information. The list is based on data in seven categories that are publicly available, including human rights, climate change, environment, philanthropy, employee relations, finance and corporate governance.

General Mills also made three other prestigious top 10 rankings in 2009.

- The **Reputation Institute** ranked us as the **fourth most respected company** in the United States.
- The **Harris Interactive's Annual Reputation Quotient survey** ranked us **No. 8.**
- **Working Mother** magazine named us to its **top 10 list of best companies.** The honor marked the 14th straight year our company has been included among Working Mother's top 100 companies.



We also were named one of the "**world's most ethical companies**" for the third year in a row by the **Ethisphere**

Institute, a New York-based think tank dedicated to advancement of best practices in business ethics, corporate social responsibility, anti-corruption and sustainability.

And **Fortune** magazine also included us in its list of the **top 50 "most admired"** companies in the world for two years running.



Summary: Health

By May of 2010, 50 percent of our U.S. retail sales volume will be made up of products that have been nutritionally improved since 2005. We've been aggressively improving our products for several years.



Among our largest gains are the addition of whole grains to cereal and many other products. We've also boosted levels of vitamin D in several Big G cereals, trimmed the fat in four varieties of *Grands!* biscuits and cut the sodium in many of our *Progresso* Light soups.

In all, more than 400 current General Mills products now meet our health metric criteria.

We're continuing to push the envelope on improving the nutritional profile of the many foods we make. In December, we announced that we will further reduce sugar in cereals advertised to children under age 12 until all reach single-digit grams of sugar per serving.

And we're also announcing that we will reduce the sodium in more than 600 products by 20 percent by 2015. The reductions will occur across 10 product categories, including canned vegetables, dry dinners, soups and a variety of baking mixes.

We also promote healthy eating habits through Web sites such as EatBetterEarly.com, which was created to help moms in the federal Women, Infants and Children (WIC) nutrition program plan nutritious meals, and EatBetterAmerica.com, which features "healthified" versions of classic recipes for everyone.

At the same time, recognizing the importance of caloric balance to maintaining a healthy weight, we support several programs to encourage healthy lifestyles for children and families. Since 2002, the General Mills Foundation has allocated more than \$18 million to nonprofit organizations that have helped more than 3.5 million kids lead healthy, active lifestyles.

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In all, more than 400 current
General Mills products now
meet our health metric criteria.
.....

Summary: Community

Since 2000, General Mills has contributed about 5 percent of its pretax profits to a wide variety of causes, including programs to feed the hungry, support nutrition wellness and promote education. Our total giving reached \$90.7 million in fiscal 2009 – an increase of 4.3 percent over the year before.



We also encourage our employees to volunteer. About 82 percent of our U.S. employees volunteer – many of them at organizations that we support financially. So we are contributing our energy and our passion, too.

Our cause-marketing initiatives are industry leaders and continue to raise funds for good causes while at the same time contributing to our sales. In a recent PR Week survey gauging consumer awareness of cause marketing campaigns, our *Box Tops for Education* program (which raises money for K-8 education) and the *Yoplait Save Lids to Save Lives* (which raises money for breast cancer research and education) finished first and second.

We're a leading contributor to Feeding America, the leading food bank in the U.S. Through programs like NBC television's "The Biggest Loser" show, General Mills donated millions of pounds of groceries (more than \$350,000 worth) to match the pounds of weight people pledged to lose.

Our philanthropic efforts in Africa continue to expand. More than 5,000 people have become members of Join My Village, our online initiative to help empower women and girls in about 75 villages in Malawi. We're lending our technical expertise, too. Over the past two years, more than 300 General Mills researchers and scientists have logged more than 20,000 volunteer hours to help solve technical issues at several African food processing facilities.

Our commitment to worthy causes like these is just one reason why so many of our employees like to work for General Mills. Among the many honors our company received in 2009:

- 100 Best Companies to Work For (No. 90), *Fortune* magazine
- Global Top Companies for Leaders (No. 3), *Fortune*
- 100 Best Companies for Working Mothers, *Working Mother* magazine
- Best Places to Work in IT (No. 1), *Computerworld*
- Best Places to Launch a Career (No. 12), *BusinessWeek* magazine
- Top Companies for Executive Women, National Association for Female Executives

Summary: Environment

General Mills is committed to protect and conserve the natural resource base our business depends upon by continuously improving our environmental performance. We continue to make progress against our environmental goals.



We have reduced our solid waste generation rate by 24.5 percent since 2005 – far surpassing our goal of 15 percent. And with a water usage reduction of 2.2 percent since 2005, we’re nearly halfway to achieving our goal of a 5 percent reduction by 2011.

Our progress on reducing energy consumption and greenhouse gas emission rates – 2.4 percent and 2.3 percent, respectively, has been more modest. But we expect the systems we now have in place to produce greater reductions in the future.

We’re making substantial energy reductions in many other areas. A new computer-based transportation system allows us to deliver our products to market much more efficiently by mapping out the multiple destination points so we can load more of our products onto each truck. The new system has helped save more than 7 million gallons of fuel so far in fiscal 2010 – a 16.7 percent reduction over fiscal 2009.

And using a new virtual collaboration system, we’ve trimmed our global airline trips by about 9 percent, which has reduced our carbon footprint by more than 1.5 million pounds.

We’re also working with farmers to reduce their use of water, pesticides and fertilizer, including a partnership with The Nature Conservancy to develop ways to reduce nutrient run-off into a trout stream in the ecologically sensitive region of southeastern Minnesota.

And we’re using and investing in renewable energy. Our facility in San Adrian, Spain, now gets all of its electricity – and a third of its overall energy – from renewable sources such as wind power. We’re also constructing a biomass burner at our oat-milling facility in Fridley, Minn., that will burn leftover oat hulls from the milling process to produce about 90 percent of the steam needed to heat the plant and make oat flour.



We continue to forge ahead on improving the health profile of the many foods in our portfolio.

At the end of fiscal 2009, 45 percent of our U.S. retail sales volume was comprised of products that have been nutritionally improved since our health metric initiative was launched in 2005. In all, more than 400 current General Mills products now meet our health metric criteria (see page 10).

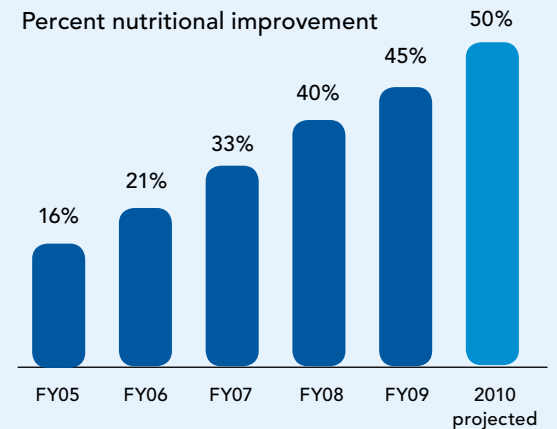
Just this past year, we reduced the sodium in our entire line of *Chex* snack mixes by 10 percent or more. We did the same thing with many of our *Progresso Light* soups, and we've reduced the fat levels by 10 percent or more in four different *Grands!* refrigerated biscuit products.

Likewise, we continue to trim the sugar in many of our cereals advertised to kids. *Cocoa Puffs*, for example, now has 11 grams of sugar per serving – a 21 percent reduction from a few short years ago. Since 2007, we've reduced the sugar in 10 of our Big G kid cereals.

And we're by no means done. We're also pledging to reduce the sodium in 10 product categories by 20 percent by 2015. That represents more than 600 different SKUs (stock-keeping units) (see page 11).

RAISING THE HEALTH BAR

After achieving our goal to improve 40 percent of the products that make up our U.S. Retail sales volume, we set a new goal of a 50 percent improvement by the end of fiscal 2010.



In addition, in December 2009, we announced a public commitment to further reduce to single-digit grams of sugar per serving any cereal advertised to children under 12. It may take time, but we're committed to reaching this goal (see page 12).

Internationally, we have become even more active. Whether reformulating existing products or supporting the development of regional public health campaigns, we have been working hard to nourish lives around the world.



Our lineup of nutritious new products in 2009 was stronger than ever. We introduced:

- Cereals like *Cascadian Farm* Flax Right Pomegranate Raspberry Clusters and Big G *Total* Blueberry Pomegranate.
- Indulgent snacks like *Yoplait Delights* Parfait, with just 100 calories per serving, and several flavors of *Yoplait Fiber One* yogurt, which has just 50 calories and 5 grams of fiber in every serving.
- Four flavors of *Progresso High Fiber* soup – an entirely new line to add to our existing lineup of original, Reduced Sodium and Light *Progresso* soups. The high fiber soups have 7 grams of fiber per serving, which is 28 percent of the recommended Daily Value of fiber for adults.

Every day we work to improve the healthfulness of our products.

PROGRESSO LIGHT WINS INNOVATION AWARD

Our Progresso Light soups were named to Information Resources Inc.'s top 10 list of new products in 2008.

Progresso Light was one of the biggest new product introductions in company history – its introduction represented the creation of a “light” segment in the ready-to-serve soup category.

The soups have 80 calories or less per serving and were developed for people who want to control their weight. The soups have become very popular with consumers.



It was a particularly good year for improving the nutritional profile of our U.S. Retail portfolio.

One of our largest health improvements in recent years was to increase – and in some cases add – vitamin D in our Big G cereals. We also trimmed the sodium and fat levels in a wide variety of products.

We created our internal health metric in 2005 so we could track the progress we’ve made over time in improving the nutritional profile of our U.S. Retail products. This year, we have started to work on expanding the tracking to include our International division and our Cereal Partners Worldwide joint venture, which sells cereals in more than 130 countries.

A team of General Mills researchers spent more than a year digging deeper into ways to reduce sodium in food and has incorporated many of these findings across our portfolio. We reduced sodium by 12 percent in our best-selling variety of *Cheerios Snack Mix*, for example.

In other cases, we added vital nutrients to existing products to address public health concerns – like the finding that most children and adults don’t get enough vitamin D in their diets.

Vitamin D enables the body to absorb calcium, so calcium can do its work of helping build and maintain strong bones and teeth. New studies also show that vitamin D may reduce the risk of a number of chronic diseases, including cardiovascular disease and diabetes.

Vitamin D occurs naturally in many foods, but it can be difficult to get enough of these foods to meet vitamin intake guidelines. That’s where fortified foods can help.

We’ve made these improvements while maintaining the great taste of our products. It’s important to note that people won’t eat food that doesn’t taste good.

In several varieties of *Total* cereal, we increased the level of vitamin D to 25 percent of the Daily Value – up from 10 percent. Likewise, vitamin D levels in *Yoplait Go-Gurt* were boosted to 10 percent of the Daily Value from 6 percent.

They say what gets measured, gets improved. One reason our health gains have been so pronounced in recent years is that meeting our health goals is taken into consideration when measuring the performance of our senior management.



OUR HEALTH METRIC CRITERIA

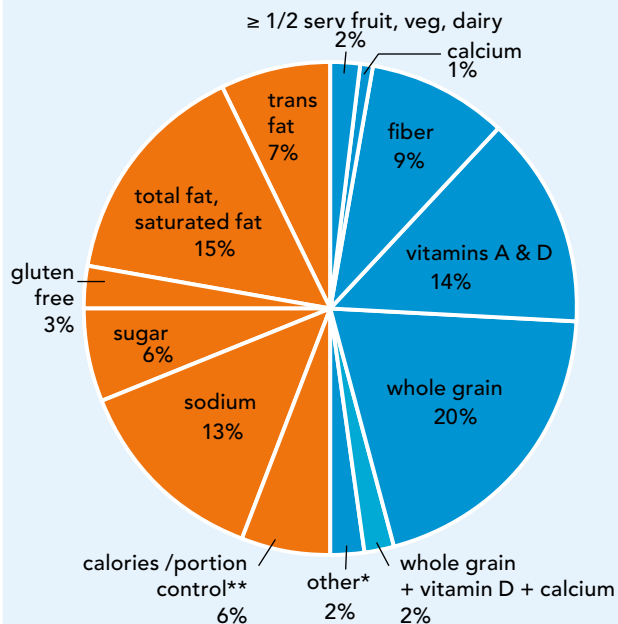
General Mills products meet our health metric standard in a variety of ways:

- 1 Reducing the calories, fat, saturated fat, trans fat, sugar or sodium content by 10 percent.
- 2 Increasing beneficial nutrients, including vitamins, minerals and fiber, by 10 percent.
- 3 Formulating products to include at least 8 grams of whole grain, or a half serving of fruit, vegetables, or low or nonfat dairy.
- 4 Formulating new products to meet our health requirements.

Today we have more than 47 varieties of Big G cereals that are either a “good” or “excellent” source of vitamin D.

DRIVERS OF OUR NUTRITIONAL PROFILE IMPROVEMENT, U.S. RETAIL 2005 – 2009 (FISCAL YEARS)

Since we began measuring our nutrition improvements in 2005, our biggest gains have been through adding whole grains to products like cereal. But we've also added vitamins, fiber and calcium to many of our products. And we've reduced fat, sodium and sugar.



Decreasing Limiters 50%

Increasing Positives 50%

* Includes omega-3, protein, and antioxidants.

** Calories/portion control includes new products with portion control or ≤ 100/calories/serving AND reformulated products with reduced calories.

As part of our long-term effort to reduce the sodium in many of our products, General Mills is pledging to further reduce the sodium in more than 600 of our SKUs (stock-keeping units) by 20 percent, on average, by 2015.

The sodium reduction initiative represents about 40 percent of our portfolio and covers 10 product categories. While General Mills has been reducing the sodium in many of our products for several years, we accelerated the effort in 2009.

The targeted product categories are:

- Canned vegetables
- Cereals
- Dry dinners
- Frozen pizza
- Mexican dinners
- Refrigerated dough products
- Savory snacks
- Side dishes
- Soups
- Variety baking mixes

A cross-functional team of General Mills researchers has been hard at work developing multiple strategies for reducing sodium across these product categories. While that sounds simple, it is more difficult in practice.

That's because sodium in food serves many purposes, including food safety by inhibiting the growth of molds and other undesirable microorganisms. In addition, people can detect even relatively small decreases in sodium, which is one reason why lowering levels gradually is a wise strategy.

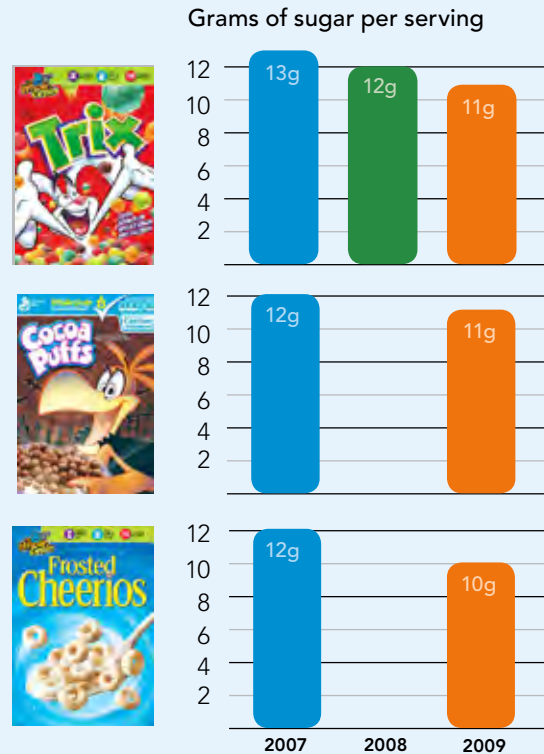
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“We’ve assembled a multidisciplinary team of General Mills researchers whose primary focus is on developing new ways to reduce sodium across our portfolio. Not only have we reviewed the scientific literature on the subject over the past 30 years, but we’re tapping experts in this field, as well as related fields, from throughout the world. We’re committed to developing novel strategies because it’s the right thing to do – for our consumers and for General Mills.”

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PETER ERICKSON, SENIOR VICE PRESIDENT, INNOVATION, TECHNOLOGY & QUALITY

LOWERING SUGAR LEVELS



Trix, Cocoa Puffs and Frosted Cheerios are among the 10 kid cereals that we have pledged to bring to single-digit sugar levels per serving. Many General Mills cereals are already at single-digit sugar levels, including Cheerios (1 gram), Rice Chex (2 grams) and Kix (3 grams). For more information about our sugar-reduction efforts and the benefits of eating cereal for breakfast, please see our [Benefits of Cereal Web site](#).

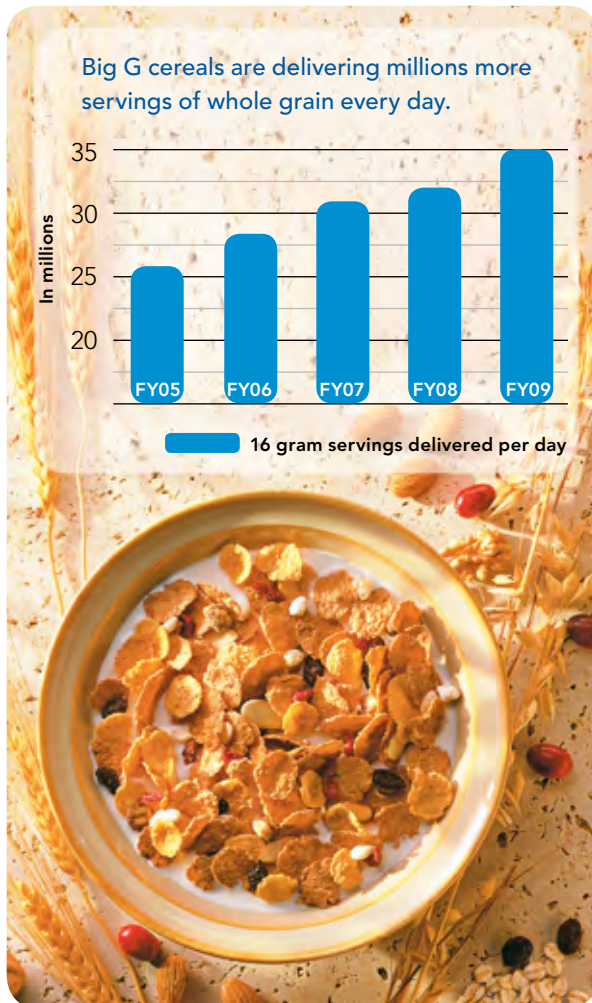
Continuing a several-year effort to reduce sugar levels in cereals, General Mills announced in December 2009 that it will further reduce sugar in cereals advertised to children to single-digit grams per serving.

The company's **commitment** is among the most aggressive goals advanced in the food industry, and builds on our 2007 announcement to reduce sugar in all cereals advertised to children to 12 grams of sugar or less. Since then, we have reduced the sugar in our kid cereals by about 13 percent, on average.

Currently, all of our cereals advertised to children are below 12 grams of sugar per serving. The future sugar reductions will occur in steps.

A similar initiative will extend globally to 130 countries worldwide through Cereal Partners Worldwide, our global joint venture in which we are a partner.





Since we began measuring our health improvements in 2005, the largest contributor to improving the health profile of our products has been the addition of whole grain to our cereals.

In fiscal 2009, our Big G cereals delivered almost 35 million whole grain servings per day – a 40 percent increase in Big G’s whole grain serving contribution over 2005. Big G cereals provide more than 10 percent of the estimated whole grain consumed in the United States.

The science shows that eating whole grain as part of a healthy diet may help:

- Reduce the risk of coronary heart disease.
- Manage weight – people who eat more whole grains have healthier body weights and are more successful at maintaining their weight over time.
- Reduce the risk of cancer, especially cancers of the stomach and colon.
- Reduce the risk of diabetes by helping to manage healthy blood glucose and insulin levels.



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Every Big G cereal contains at least 8 grams of whole grain per serving, with many delivering twice that and more. The conversion to whole grain in 2005 was the biggest single health-driven product improvement in General Mills’ history.

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General Mills
with **Whole Grain**

Whole Grain Quiz | What Is a Whole Grain? | Whole Grain Benefits | How to Find Whole Grain Products | Get Into the Whole Grain Habit

Welcome to the whole grain nation!

What's Your Whole Grain IQ?

Are you on the right track to a healthier life?

Experts recommend eating three servings of whole grain foods daily. With General Mills cereals, you get whole grain in every box and every bowl. Learn the healthful benefits of whole grain, how to incorporate it into your family's meals, and where to find it in stores.

[Test your whole grain knowledge](#)

All General Mills Big G cereals provide at least 8g of whole grain per serving. At least 48g of whole grain recommended daily.

[SHARE WITH A FRIEND](#)

LOOK FOR THE WHITE CHECK FOR WHOLE GRAIN GUARANTEED!

All Big G cereals have at least 8 grams of whole grain per serving, at least 48 grams recommended daily.

[eatbetteramerica.com](#)
If you want to eat to live better, you're not alone. Join EatBetterAmerica.com and get a free email newsletter filled with healthful recipes, simple tips for eating better and articles from nutrition experts, as well as access to free product samples and coupons. [Learn More](#)

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Promoting whole grains

To encourage eating whole grains, General Mills has stepped up its “Whole Grain Guaranteed White Check” labeling initiative.

The company has created two Web sites – one in [English](#) and the other in [Spanish](#) – to explain the benefits of whole grain and Big G cereals. And it has also created several television advertisements – aimed primarily at younger adults – touting the health benefits of whole grains.

The Whole Grain Guaranteed White Check has appeared atop the front of Big G cereal packaging since late in 2007. The effort is one way the company promotes healthy eating and its cereals.

General Mills is the only major cereal company to provide at least 8 grams of whole grain per serving in all of its Big G cereals, with many providing more.



'Atta' way! Pillsbury flour products address health and nutrition needs in India

Used in making the staple flat bread rotis and its thinner cousin chapati, "atta" flour is the bedrock of the Indian diet. For centuries people have sourced and ground wheat to make their own atta, but that presents a challenge to those living and working in India's burgeoning urban business centers.

Recognizing this need, General Mills India markets two varieties of atta flour that address India's growing need for wholesome nutrition in convenient packaging.

Pillsbury Atta with Multi Grains, introduced in 2008, is a unique blend of wheat and six other grains: soy, oats, maize (corn), raagi, chana dal and barley. It provides a good source of fiber, iron, proteins, calcium and vitamins without compromising the taste

or the soft texture Indians value in their chapatis.

Pillsbury Chakki Fresh Atta was introduced in 1998 but re-launched in 2009 to emphasize its whole wheat content.

Pillsbury Chakki Fresh Atta is 100 percent whole wheat, manufactured using a controlled grinding process that retains all of the three essential parts of the grain – the bran, endosperm and germ. These three components are the core to providing whole grain nutrition.

"These initiatives line up with the General Mills mission to make consumers' lives healthier, easier and richer across the world," says Anindo Mukherji, managing director of General Mills India.



"With over 135 years of experience in wheat and grain-based products, General Mills has always been in the forefront of providing its consumers with healthy, tasty and convenient food products."

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General Mills India markets two varieties of atta flour that address India's growing need for wholesome nutrition in convenient packaging.
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Green Giant spreads the '5 A Day' message in the UK



Green Giant in the United Kingdom is lending a hand to the government's continuing efforts to encourage more people to eat more vegetables.

Green Giant has launched a multimedia campaign that builds on the government's efforts to encourage people to eat at least five servings of fruits and vegetables per day.



A logo proclaiming, "One of Your 5 a Day" adorns all Green Giant corn packaging. It's also featured in a popular TV commercial in which two young boys eagerly consume corn after their mother tells them, "You are what you eat," suggesting they could grow up to be like the *Jolly Green Giant*.

A 2008 study, commissioned by Green Giant, found that just 20 percent of UK children were meeting the standard of five servings per day.

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Old El Paso Extra Light tortillas capture New Zealand health magazine award

Old El Paso Healthy Fiesta Extra Light tortillas captured the 2009 most improved product award from New Zealand's *Healthy Food Guide* magazine. Compared to regular flour tortillas, these extra light tortillas have



60 percent less salt and fat, and less than half the calories. "An everyday product that's had a healthy makeover," said the judges. "The extra light tortillas are also included in their Healthy Burrito Fiesta Kit, with a new recipe to encourage us all to make healthier burritos. Well done."

Perhaps the most significant contribution General Mills makes toward healthy diets is providing affordable foods.

A serving of:

- *Cheerios* costs just 26 cents.
- *Green Giant* frozen peas costs 35 cents.
- *Nature Valley* crunchy granola bar is 54 cents.
- *Yoplait Light* costs 67 cents.
- *Progresso* vegetable soup costs \$1.13.

The value of General Mills products was behind a “Better at Home” promotion the company launched in September 2009 throughout the U.S.

A \$20 coupon booklet, which included recipes and facts about the benefits of eating at home, was distributed throughout the U.S. A recipe for “potatoes and chicken casserole,” for example, included detailed nutrition information about calories and sodium content as well as coupons for General Mills products.

Similarly, a recipe for “veggie lovers’ chili” contains nutrition information and a coupon for *Muir Glen* organic tomato sauce. It also suggests ways parents can get their children to eat such a dish.



Price per serving



26 cents



35 cents



54 cents



67 cents



\$1.13

In October 2009, General Mills received the “Crown Award” for responsible advertising from Hallmark Channels and the Parents Television Council.

“We are delighted to recognize General Mills, one of the most respected brands in America, for its unwavering support of families through its many social programs that benefit communities, and for the leadership it demonstrates in its ongoing commitment to and appreciation of the value in family-friendly programming,” said Bill Abbott, president and CEO of Hallmark Channels.

Hallmark Channels specializes in family-friendly programming, and the Parents Television Council is the most influential advocacy organization in the U.S., protecting children against inappropriate and excessive portrayals of sex, violence and profanity on television.

The award is bestowed annually to an advertiser that exhibits extraordinary leadership, integrity and responsible corporate citizenship.



Our advertising guidelines explicitly state that the company “will not produce advertising that would undermine the role of parents and family, or respect for community authorities – and will air advertising only on programming we deem suitable for the family-oriented nature of our brands and products.”

Parents Television Council President Tim Winter thanked General Mills for being a “model television advertiser and an exceptional corporate citizen.”



CHILD MARKETING REVIEW COUNCIL

General Mills has had child marketing guidelines in place for more than 30 years, and they are updated regularly by the company’s Child Marketing Review Council.

In July 2009, reflecting the increasing popularity of social networking Web sites, General Mills updated the guidelines to be even clearer about what is and isn’t permitted when communicating with children under the age of 12.

The updated sections of the guidelines spell out that General Mills will not use its own Web sites or other communications to encourage children to participate in third-party social networking sites that are inappropriate for children under 12.

For the past five years, we’ve required our marketing and legal employees to review the guidelines. And for the third year, those employees were required to complete a quiz to demonstrate understanding of the guidelines.

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“General Mills is a leading contributor to the mission of the WIC program and is a trusted source of critical industry thinking on the transformational WIC food packages that are destined to improve the nutritional health and well-being of America’s at-risk mothers and young children.”

DOUGLAS GREENAWAY, CEO & PRESIDENT
NATIONAL WIC ASSOCIATION

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General Mills is involved in several efforts to promote healthy eating habits.

A new Web site – EatBetterEarly.com – was created in 2009 to help moms in the federal Women, Infants and Children (WIC) nutrition program plan nutritious meals.

The site incorporates WIC-eligible foods in healthy recipes that kids and families will eat, such as a recipe for fruit and nut bars that includes raisins, apricots, peanut butter, sunflower seeds and *Cheerios*.

About 9 million people participate in the WIC program, which provides nutritious foods, including cereal, to low-income mothers, pregnant women and children to encourage healthier outcomes for families. Beyond recipes for all meal occasions, EatBetterEarly.com also offers food safety guidelines, kitchen tips and other details such as portion size and advice on helping children maintain healthy weights. It also includes information about the FDA’s MyPyramid guidelines for healthy eating.

EatBetterEarly.com is promoted to WIC participants through state-run clinics, but the site has useful information that any mom can rely on for nutritious recipes.

Eat Better America Web site continues to gain readers

Since General Mills launched the [Eat Better America Web site](http://EatBetterAmerica.com) and e-newsletter in 2006, the site has gained in popularity and established itself as a trusted source for healthy recipes that actually taste good.

Today more than 1.4 million readers subscribe to the e-newsletter and 700,000 visit the Web site, on average, each month.

New “healthified” recipes are added regularly to the site, which are healthier versions of classic recipes. Eat Better America’s apple crisp, for example, has 50 percent less fat, 33 percent more fiber and 29 percent fewer calories than the original recipe sent in by a reader.

“This was very simple to make and delicious!” wrote Melissa. “I love cinnamon so I added extra! Another great healthy recipe that I will be making a lot this winter!!!”

Scientists from the General Mills [Bell Institute of Health and Nutrition](http://BellInstituteofHealthandNutrition.com) collaborate with chefs and food editors from the Betty Crocker Kitchens to develop the recipes. There are about 100 healthified recipes on the site for virtually every eating occasion.

'Vitality' Web site for baby boomers

General Mills is underwriting a Web site for baby boomers that contains a wealth of health, exercise and nutrition information.

The [Vitality Web site](#), which is one of many Web sites under the Yahoo! umbrella, highlights news articles that could be of interest to people between the ages of 45 and 64. Among recent headlines called out on the site were "For Older Walkers, Faster is Better" and "Diet, Exercise Can Improve Thinking."

Nine General Mills brands, including *Cheerios*, *Fiber One*, *Progresso* and *Yoplait*, advertise products on Vitality, which is part of a larger General Mills initiative to provide healthy food options for aging baby boomers.



vitality

BETTER YOURSELF. BETTER YOUR LIFE.



Nine General Mills brands, including *Cheerios*, *Fiber One*, *Progresso* and *Yoplait* are part of a larger General Mills initiative to provide healthy food options for aging baby boomers.

Trimming obesity rates in African-American and Hispanic communities

America's expanding waistline stretches across all population groups, but obesity rates are highest among African-Americans and Hispanics. That's why General Mills is helping develop two pilot programs to promote weight management in these community groups.

The African-American program, in partnership with the Urban League, will zero in on one city – Columbia, S.C. – to help people lose weight through diet, exercise and education aimed primarily at mothers and children.

The Hispanic initiative will offer Latina moms advice on how to navigate U.S. grocery stores to save money and find healthful options.

Nutritionist Rosalena Topete leads a discussion with Hispanic moms in Los Angeles about the benefits of planning meals based on USDA MyPyramid recommendations for a healthy diet.

The groundwork for both programs was laid in 2009 with the formal launches set for early in 2010.

The African-American program will split into two modules, one for women and the other for children. For 13 weeks, participants will work out with professional fitness trainers in separate classes and learn how to prepare healthy meals, shop for healthier food and order healthier food when eating out. The two groups will come together for the first and last sessions to establish the importance of family in making the program work.

The General Mills **Bell Institute of Health and Nutrition** is working with Atlanta's Morehouse School of Medicine to develop a curriculum that includes workshops, demonstrations, cook-offs and other activities.

In Columbia, S.C., Urban League Community Health Worker Jessica Cornish urges families to take charge of their health with a proper diet and exercise.



The Betty Crocker Kitchens will supply healthy recipes to promote more nutritious eating.

The Hispanic outreach program, in partnership with the National Council of La Raza, targets Tucson, Los Angeles and Houston for its initial effort. In those cities, health and nutrition education will be delivered through promotoras, health outreach workers who traditionally work with Hispanic women to raise awareness on health and social issues.

They also teach moms about topics that aren't familiar in Hispanic culture, such as using coupons.

Site visits to grocery stores will give participants a chance to test their newfound skills.

General Mills joins 'healthy weight' coalition

In October 2009, General Mills joined about 40 other retailers, nongovernmental organizations and food and beverage manufacturers to launch the Healthy Weight Commitment Foundation (HWCF).

The HWCF is a multiyear effort to raise awareness about the importance of balancing a healthy diet with physical activity, particularly among children aged 6 to 11, and their parents. This effort, with initial funding of \$20 million, includes a national public education campaign on calorie balance that was launched in early 2010.

Campbell, ConAgra, Kraft, Nestlé, PepsiCo, Sara Lee and Unilever are among other food companies that have signed on to this initiative. Among the nonprofit organizations to join are the Girl Scouts, the American Council for Fitness and Nutrition Foundation, and the National Wildlife Federation.

The initiative will focus its efforts in three critical areas where people spend much of their time – the marketplace, the workplace and schools. Companies like General Mills will be allowed to build on their existing improvement efforts, and progress in each area will be measured by three independent groups.



Rachel (left) and Alexis are learning new skills about fitness and nutrition, thanks to a program funded, in part, by the General Mills Foundation.

Girls in the game

Supporting programs that focus on youth nutrition and fitness has long been a priority for the **General Mills Foundation**.

Since 2002, the Foundation has allocated more than \$18 million to nonprofit organizations that have helped more than 3.5 million kids lead healthy, active lifestyles.

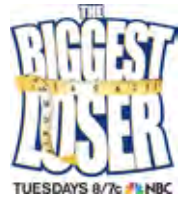
One such organization is Girls in the Game, a Chicago-based nonprofit that promotes sports and fitness activities, nutrition and health education, and leadership development for girls.

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When 11-year-old Rachel (left, in photo) arrived at a Girls in the Game summer camp in 2005, she and her sisters were living in a Chicago homeless shelter while their mother underwent chemotherapy. The staff at Girls in the Game said it was months before they saw Rachel smile.

But Rachel stuck with the program, and Girls in the Game stuck with her. She completed her first triathlon two summers ago and now volunteers to help younger participants like Alexis (right, in photo).

With her mom's health back, Rachel's entire family now attends family sessions on fitness and nutrition. And Rachel's future is brighter than ever.



Pound For Pound Challenge on 'Biggest Loser'

People from across the United States pledged to lose nearly 3.6 million pounds during the *Pound For Pound Challenge* that was aired via NBC television's "The Biggest Loser" program in 2009.

Beginning in January of 2009, General Mills pledged to deliver the equivalent of one pound of groceries to Feeding America food banks for every pound of weight people pledged to lose. The program resulted in the delivery of millions of pounds of groceries (valued at \$350,000) to food banks throughout the United States.

The initiative was aired throughout the 19 episodes of season 7 of the television program. The challenge also highlighted several General Mills brands, including *Yoplait Light*, *Cheerios*, *Fiber One* and *Green Giant*.

The initiative was so successful that it was recognized with PR News' top public relations award in the corporate and nonprofit partnerships category. This award and others are bestowed annually to celebrate outstanding achievements and highlight best public relations practices.

The 2009 season finale of "The Biggest Loser" was seen in more than 17 million homes, and the pledge to deliver groceries was printed on the packages of tens of millions of General Mills packages.

The company is continuing the *Pound For Pound Challenge* in the 2010 season. General Mills and its partners have agreed to donate up to \$800,000 for the *Pound For Pound Challenge*.

In addition, in December 2009, General Mills donated 49 million bowls of whole grain Big G cereal – a number that matches the number of people in the U.S. who struggled to get enough to eat in 2008 – or about 4.4 million boxes. The "Wake Up to Hunger" initiative was aired on the season finale of "The Biggest Loser."



WATCH VIDEO



Latina women and heart disease

Heart disease is the No. 1 killer of Hispanic women – a fact that is becoming increasingly more apparent.

To help address this issue, *Honey Nut Cheerios* developed a campaign for Hispanic women that promoted the cholesterol-lowering benefits of the whole grain cereal.

One aspect of the multiyear, adult-focused campaign was a sweepstakes to win breakfast with Juan Soler, an Argentine-Mexican telenovela (soap opera) star. Soler's popular Univision program is among the most watched Spanish TV programs in the U.S.

The initiative resulted in more Hispanic women consuming a whole grain product that can help reduce cholesterol when eaten as part of a diet low in saturated fat and cholesterol.





Ingredient labels on hundreds of General Mills products have become shorter and easier to read over the past year, thanks to a comprehensive effort to simplify wording and to find consumer-friendly alternatives to ingredients with complex names.

Recent consumer research has shown that more and more consumers prefer products that include ingredients that are readily recognizable and natural.



That was the central premise behind the June 2009 launch of **simply...** cookies, which is a reformulation of a traditional **Pillsbury** cookie.

Behind the scenes, many other labels were either shortened or alternative ingredients identified. In all, 275 labels have been simplified over the past year. On average, the new labels have 15 percent fewer words. Some became even shorter. *The simply... cookies, for example, has several fewer ingredients than a traditional Pillsbury cookie.*

Work is continuing to simplify even more labels at General Mills, as well as the search for alternative ingredients.



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Recent consumer research has shown that more and more consumers prefer products that include ingredients that are readily recognizable and natural.

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Over the past year, General Mills has removed the flavor enhancer monosodium glutamate (MSG) from Progresso soups.

While MSG is widely regarded as safe, some consumers have expressed concerns about it and may welcome the choice of a line of soups without added MSG.

MSG works to enhance flavors in food, and occurs naturally in many foods like milk, cheese and vegetables. The FDA has classified MSG as “Generally Recognized as Safe” (GRAS) along with ingredients like vinegar, pepper and sugar.

General Mills *Yoplait* brand also announced this past year that it will no longer source milk from cows treated with the synthetic hormone rBST (recombinant bovine somatotropin), a synthetic version of a hormone that occurs naturally in cows.

Although several studies have shown that rBST poses no health risk, consumers have indicated a preference for milk from cows that are not treated with rBST.

Yoplait is the first leading brand of yogurt to use milk that is 100 percent certified from cows not treated with rBST.



Yoplait is the first leading brand of yogurt to use milk that is 100 percent certified from cows not treated with rBST.

Throughout high school, Kristen Halberg Bernard was a standout athlete – an all-conference catcher on the softball team and five-year member of the varsity swim team for Como Park High School in St. Paul, Minn.

But she never felt good following the pasta-heavy “carbo loads” before swim meets.

“Everyone thought it was just nerves,” recalled Bernard, now 25 and an assistant director of a YMCA School Age Care program as well as a substitute teacher in Hudson, Wis. “I would just feel really tired and I had a stomach ache a lot.”

It wasn’t until her junior year of college that she was finally diagnosed with celiac disease, a condition that afflicts about 3 million people in the U.S. It’s triggered by eating gluten, a protein found in wheat, barley, rye and some oats.

When celiac disease sufferers eat gluten, their immune system begins to attack and damage the villi in the small intestine, which absorb nutrients from food. Left unchecked, it can lead to malnutrition, which was why Bernard felt so tired.

“When I found out *Chex* was going gluten-free, I nearly lost it,” says Bernard, who now eats *Chex* cereals about four or five times a week. “I love *Corn Chex*. *Honey Nut Chex* – oh my gosh – they’re like heaven.”



Rice Chex became the first mainstream gluten-free cereal in the summer of 2008. The following summer, five more gluten-free *Chex* cereals were introduced: *Corn Chex*, *Honey Nut Chex*, *Chocolate Chex*, *Cinnamon Chex* and *Strawberry Chex*.

At the same time, *Betty Crocker* unveiled four gluten-free dessert mixes. General Mills now offers more than 240 gluten-free products – including *Yoplait* yogurts, *Lärbär* energy bars and *Progresso* soups – with more brands to come.

“At one of my bridal showers, my neighbor made the gluten-free *Betty Crocker* cake brownies,” says Bernard. “They were surprisingly good.”

“It’s just really nice to be able to eat something I remember loving from my childhood instead of something from the health food store that no one has ever heard of. When you’re an adult and you know how things taste, it’s pretty tough to feel satisfied with some weird health food brand that just doesn’t taste that good.”



LEARN MORE ABOUT LIVING FREELY WITHOUT GLUTEN

To help those with gluten intolerance, General Mills has created an e-newsletter and a Web site – LiveGlutenFreely.com – to provide information and recipes for people who want to avoid gluten in their diets. The Web site also lists all of General Mills’ gluten-free products.

Building on its decade-long legacy in managing food allergens, General Mills is now applying those same lessons to manage gluten – and how it is labeled – in foods the company produces.

Products bearing a gluten-free claim undergo extensive evaluation to ensure that there are no cross-contact concerns during manufacturing and packaging. Gluten is a protein found in wheat, barley, rye and some oats, all of which are commonly used in many General Mills products.

So extra care is taken with the gluten-free products to ensure no cross-contact occurs. Products are also chemically analyzed to assure they do not contain gluten.

“General Mills has developed a very good program,” says Mary Schluckebier, executive director of the Celiac Sprue Association, a 9,000-member support group for people with celiac disease. “For a person with celiac disease to be able to go into a regular store and buy *Chex* or a *Betty Crocker* cake as they have done all of their lives – it provides comfort to the consumer like nothing else can.” It also helps build support across an entire extended family.

“For a grandmother baking a birthday cake for a grandchild, seeing a trusted brand like *Betty Crocker* that is gluten-free is a sigh of relief,” says Schluckebier. “No grandmother wants to make her grandchild sick.”

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“General Mills has developed a very good program. For a person with celiac disease to be able to go into a regular store and buy *Chex* or a *Betty Crocker* cake as they have done all of their lives – it provides comfort to the consumer like nothing else can.”

MARY SCHLUCKEBIER, EXECUTIVE DIRECTOR
CELIAC SPRUE ASSOCIATION

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The U.S. Food and Drug Administration is currently developing a final rule to define “gluten free” and is seeking input from companies like General Mills for how to best comply. General Mills has submitted comments to the FDA based on its internal rules and procedures for ensuring gluten-free products, including its protocol for labeling ingredients.

Instead of listing “malt vinegar” as an ingredient, for example, our product labels now say “barley malt vinegar” so people with celiac disease know to avoid it.

In 2006, the FDA incorporated General Mills’ “plain English approach” to labeling food allergens, which became the standard for the entire food industry.

The final regulation is due to be completed in the near future.

CLEAR LABELS

To make it even easier for people to avoid eating gluten, General Mills has added the words “Gluten Free” in bold type on the labels of more than 200 products.

Ingredients: Rice Flour, Semi-sweet Chocolate Chips (sugar, chocolate liquor, cocoa butter, soy lecithin, vanilla), **Brown Sugar, Sugar, Potato Starch, Potato Flour, Leavening** (baking soda, sodium acid pyrophosphate, monocalcium phosphate), **Salt. CONTAINS SOY INGREDIENTS.**

DISTRIBUTED BY **General Mills Sales, Inc.**,
MINNEAPOLIS, MN 55440 USA

PRODUCT OF CANADA
GLUTEN FREE
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SSG 3522447102

As a consumer foods company, food safety is at the core of everything we do. We're committed to the safety of the products we produce and market around the world, and are continually working to improve our processes and procedures.

More than 30 years ago, General Mills developed the Hazard Analysis and Critical Control Points (HACCP) process with NASA, and it continues to form the foundation of our food safety programs. HACCP details a process for identifying the critical stages in the production process to minimize or eliminate potential food safety issues.

General Mills adopts and applies the same high food safety and quality standards everywhere we do business. General Mills is also working to build a safer global food system by working collaboratively with governments, academia and suppliers around the world.

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General Mills is now in the second year of its sponsorship of the Global Initiative for Food Systems Leadership, whose mission is to build an international network of food system leaders to share best practices in food safety.

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Reaching out globally

General Mills is now in the second year of its sponsorship of the Global Initiative for Food Systems Leadership (GIFSL), a public-private partnership with the University of Minnesota, the Rockefeller Foundation, Cargill and many other organizations and academic institutions.

GIFSL's mission is to build an international network of food system leaders to share best practices in food safety. In November 2009, 22 Chinese food safety delegates from government, industry and academic sectors visited Minnesota, where General Mills is headquartered, to learn more about international food safety standards.

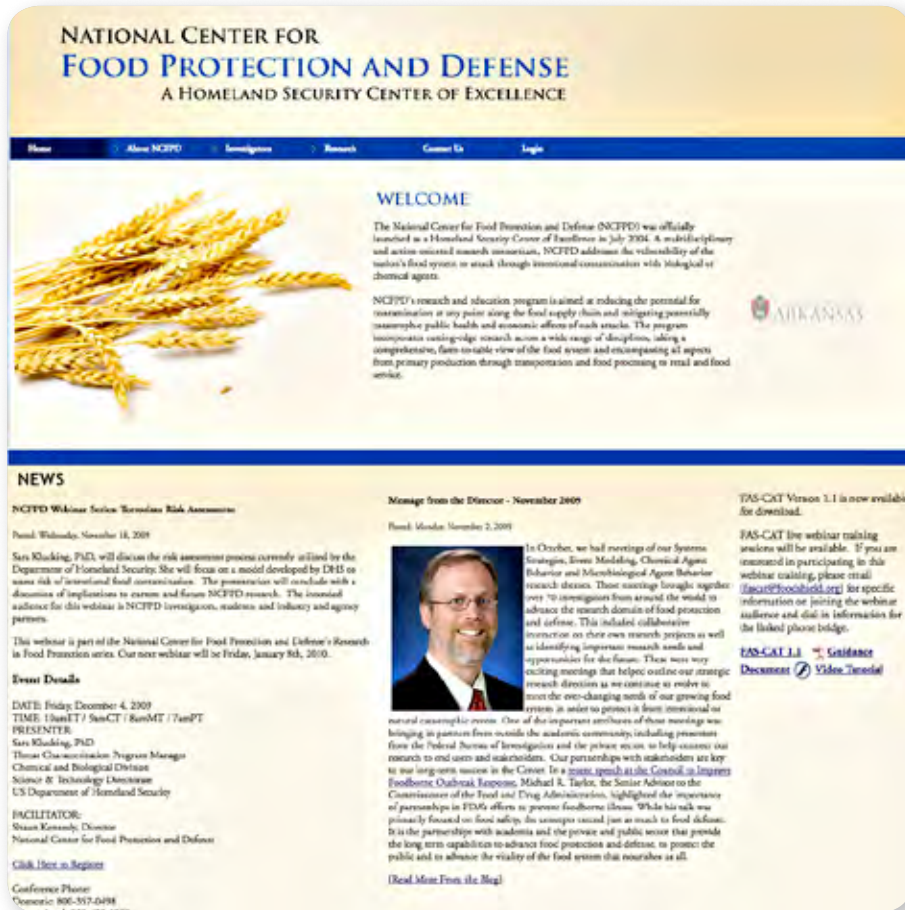
The two-week, multicontinent tour – which included a visit to the General Mills plant in Chanhassen, Minn., – began in Rome at the FAO (Food and Agricultural Organization) headquarters. Food safety leaders also toured a Cargill oilseed crushing facility near Amsterdam and met with Dutch officials before heading to Washington, D.C., for multiple meetings with representatives from government, industry and the news media.

The Chinese delegation's visit advances the food safety seminars that General Mills has conducted in the past several years with local officials in China, as well as a similar GIFSL tour earlier in 2009.

China, with its rapidly developing economy, has experienced several high-profile food safety issues in recent years, setting the stage for those in government, academia and industry to push for improvements. But China isn't alone, and GIFSL hopes to organize additional sessions for those in other countries, such as Brazil, India and Vietnam.



General Mills is involved with several initiatives to promote global food safety. In November 2009, 22 Chinese food officials visited a General Mills facility in Chanhassen, Minn.



Collaborating to provide food safety and health

General Mills also has been a key participant with many government agencies and quasi-governmental regulatory agencies and associations to promote public health, including the:

- Institute of Medicine and the National Research Council to work on ways to ensure food safety from production to consumption.
- National Center for Food Safety and Technology to help establish the center's research program and to form technical advisory working groups to optimize scientific research. General Mills also collaborated on studies regarding the effects of processing on acrylamide formation, mold toxins and allergens, and on research on process equipment cleaning to minimize risk of allergen exposure for consumers.
- National Center for Food Protection and Defense. General Mills chaired the industry group that helped establish this center at the University of Minnesota. We continue to be involved in selecting research projects and providing industry insights.
- National Organic Standards Board. General Mills, through its *Cascadian Farm* business, is a founding member of the board that sets the standards for certified organic food production.
- Association of Food and Drug Officials. General Mills serves on the board of the organization whose mission is to streamline and simplify regulations, and to educate food, industry, government, and consumer groups concerning food safety issues.

Sharing best food safety practices

To help promote food safety throughout the Asia-Pacific region, General Mills is working with experts from academia and government to develop a comprehensive food safety curriculum that can be broadly shared.

General Mills is collaborating with the Partnership Training Institute Network to develop the curriculum on such subjects as “food safety risk analysis” and “good manufacturing practices.”

The group was formed in November 2008 through the Asia Pacific Economic Cooperation (APEC) forum, an organization made up of government representatives from 21 countries that border the Pacific Ocean, including Canada, China, Korea, Malaysia and the United States.

The group was formed following a series of food scares, which led APEC ministers to conclude that more training in food safety was needed. APEC countries account for about 40 percent of the world’s population and 44 percent of world trade.

General Mills has been involved in several similar initiatives in recent years, including working with the Chinese Institute of Food Science & Technology and the Institute of Food Technologists (IFT) to hold several food safety seminars in China and the United States.

General Mills’ Sheri Schellhaass, vice president of research and development, was the IFT president in 2008-09.

FOOD RESEARCHER WINS TOP AWARD

A longtime General Mills researcher was honored in 2009 for his lifetime of work in developing ways to measure the quantities of vitamins in food, as well as measuring sugars, fats, minerals and natural toxins in grains, dairy, fruit juices and seafood.

Many of the procedures developed by Jon DeVries, senior principal scientist and senior technical manager at General Mills, became standards across the entire global food industry. DeVries is the first General Mills scientist to receive the Harvey W. Wiley Award from the Association of Official Analytical Chemists.



The award is named for the author of America’s first “Pure Food & Drug Act” that was enacted more than a century ago. It has been presented annually since 1957.

DeVries spends some of his time working for Medallion Labs, an independent laboratory created by General Mills in 1974 to perform all nutritional labeling and food analysis for General Mills as well as hundreds of other food companies.

In 2009, Medallion Labs became “ISO 17025” certified, placing it in the top tier of analytical laboratories in the world. The work it performs for clients on testing new technologies and food safety issues is strictly confidential.

General Mills contributed nearly \$91 million in fiscal 2009 to strengthen families and communities – an increase of 4.3 percent over fiscal 2008. Once again, the contributions represent 5 percent of the company's pretax profits, placing General Mills in a select group of companies that make corporate giving such a high priority. Since 2000, the company has allocated about 5 percent of its pretax profits to charitable causes.



Our commitment to help build strong communities falls under three broad categories: brand philanthropy and corporate contributions; Foundation grants; and product donations.

Brand philanthropy and corporate contributions. This represents the largest share of our giving – \$53.6 million in fiscal 2009. This slice includes the company's popular and well-known cause-marketing programs such as *Box Tops for Education* (which supports K-8 schools in the U.S.), *Yoplait Save Lids to Save Lives* (which supports breast cancer research and education), *Cheerios Spoonfuls of Stories* (which supports literacy programs), and many others.

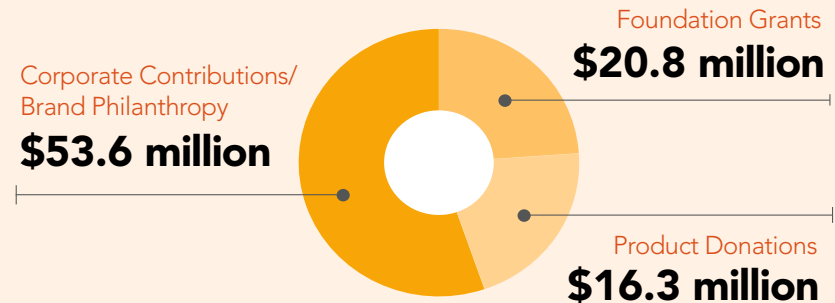
Foundation grants. This is the \$20.8 million donated in fiscal 2009 by the [General Mills Foundation](#) to strengthen families and communities by supporting:

- Hunger and nutrition wellness initiatives such as *Champions for Healthy Kids*, a program to support organizations that promote healthy, active lifestyles in children.

GENERAL MILLS FISCAL 2009 GIVING SUMMARY (USD)

Total giving: \$90.7 MILLION

5 percent of pretax profits



- Education programs such as Admission Possible, which helps talented low-income students get into college by helping them prepare for college admission.

Product donations. This refers to the \$16.3 million of food the company donated in fiscal 2009 to Feeding America, a network of food banks in the United States. Food is also donated following natural disasters such as a major typhoon in Taiwan and the devastating earthquake in Haiti.

Box Tops for Education surpasses milestone

U.S. schools ended a record-breaking 2008-2009 year by redeeming \$50.6 million in Box Tops coupons, an increase of 19 percent from last school year. The popular cause-marketing initiative also reached a new milestone, earning \$320 million to support K-8 education since Box Tops was launched in 1996.

The cash earned through the *Box Tops for Education* program helps fill gaps in school budgets, funding essential items such as computers, books, supplies and uniforms.

A total of 3,400 new schools participated in the program in the 2008-2009 school year. Each of the more than 69,000

participating K-8 schools earned an average of about \$730, up from the previous year's average of roughly \$610.

While the program began with Box Tops coupons on just General Mills products, it has since expanded to include brands from other companies.

In addition to earning money by clipping Box Tops coupons, consumers can earn more for their schools by shopping online at major retailers through the Box Tops Marketplace and Reading Room, where a percentage of qualifying purchases is donated back to their school.

Through *Box Tops for Education*, schools can earn up to \$60,000 each year.

RECOGNIZED LOCALLY AND GLOBALLY

General Mills' reputation for being involved in the community is well-known in the Twin Cities of Minneapolis and St. Paul and in the U.S. For the 11th consecutive year in 2009, the company was the leading contributor to the Greater Twin Cities United Way. General Mills employees, retirees and the Foundation gave more than \$8 million – an increase of 4.3 percent over 2008.

And our giving throughout the United States and Canada has also been recognized by the United Way with top Summit Awards in four categories: corporate philanthropy, community investment, community impact and community volunteerism.

Including General Mills facilities in Canada and the United States, the company raised \$12.6 million for the United Way – an increase of 4.6 percent over 2008.



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The cash earned through the Box Tops for Education program helps fill gaps in school budgets, funding essential items such as computers, books, supplies and uniforms.

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¡Que Bueno! Spoonfuls of Stories goes all bilingual in 2009

For the eighth consecutive year, *Cheerios* brought books to the breakfast table through its *Spoonfuls of Stories* program. And for the first time, all 6 million books were printed in both English and Spanish.

Five different titles for children aged 3 to 8 were featured on *Cheerios* boxes beginning in October 2009. They include "Tea for Ruby" by Sarah Ferguson, also known as the Duchess of York. And the latest book in Jon Scieszka's popular "Trucktown" series, "Junkyard Fort."

Cheerios is also once again making a financial donation to First Book, an award-winning children's nonprofit organization that distributes new books to children from low-income families. With financial support from *Cheerios*, First Book is giving a year's worth of books to every child participating in 50 selected reading programs in each state across the country.

"For many kids, just having a book to read is the biggest obstacle to learning," says Kyle Zimmer, president of First Book. "*Cheerios*' support means we can deliver even more books to kids, many of whom don't have a single book to call their own."

"For many kids, just having a book to read is the biggest obstacle to learning. *Cheerios*' support means we can deliver even more books to kids, many of whom don't have a single book to call their own."

KYLE ZIMMER, PRESIDENT OF FIRST BOOK

New book author winner

The *Spoonfuls of Stories* program has sponsored a Children's Book Author Contest for new, unpublished authors the past two years. In April 2009, Cheerios and publisher Simon and



Schuster announced that the second years' winning story – "1 Zany Zoo" by Lori Degman – will be published.

"1 Zany Zoo" is being distributed in paperback in *Cheerios* boxes in early 2010, with a hardcover release expected later in the year. In addition to having her book published, Degman, who lives near Chicago and works as a teacher for the hearing impaired, won a \$5,000 cash prize.

'Book of the Year' program boosts literacy in London-area schools

A literacy project begun in London five years ago now reaches students in 73 schools, and has led to an increase in literacy at the participating schools.

The Hillingdon Book of the Year project began after a local initiative was about to close because of lack of funding. General Mills UK stepped in and assumed complete responsibility for the program.



Working with the Hillingdon Schools' Library Service, the reading program was broadened to include students between the ages of 8 and 11 with a focus on newly published books. Students discuss the books and then prepare a seven-minute presentation that can include words, rhyme, music and acting.

A panel made up of representatives from the Schools' Library Service invited authors and representatives from General Mills UK to judge the schools' presentations.

"It's so wonderful to see these children talking about the book they've read," says Helen Branscombe, a General Mills employee service manager, who

launched the project with Peter O'Reilly, customer accounting manager. "They stand on the stage and speak with such confidence – it's great to see what the project achieves and how it not only boosts the children's reading ability but their confidence as well."

After all the presentations have been given, the children vote for their favorite book in one of three categories: picture, primary and secondary.

"We're so proud that we've managed to make a difference in these children's lives, and the responses we've had from the schools has just been amazing," says Branscombe.

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"We're so proud that we've managed to make a difference in these children's lives, and the responses we've had from the schools has just been amazing."
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HELEN BRANSCOMBE, GENERAL MILLS
UK EMPLOYEE SERVICE MANAGER



'Pink Together'

For the third straight year, General Mills sponsored a companywide "Pink Together" campaign to help support those affected by breast cancer.

In October 2009, the company donated \$2 million to Susan G. Komen for the Cure to advance breast cancer research, education and community outreach programs. In addition, the company also donated \$1 for every "connection" made on the [Pink Together](#) Web sites on MySpace (up to \$20,000) and Facebook (up to \$5,000).



A connection is made whenever someone posts a story, adds a comment, or leaves a virtual bouquet of flowers as a sign of support for someone touched by breast cancer.

General Mills is one of the largest – and earliest – consumer packaged goods companies to support Susan G. Komen for the Cure. Among the company's brands that participated in 2009 are *Cheerios*, *Progresso* soup, *Nature Valley* granola bars, *Warm Delights* desserts, *Green Giant* vegetables, *Betty Crocker* muffins and *Pillsbury* sweet rolls.

"General Mills has been a longtime partner in the fight against breast cancer," says Katrina McGhee, vice president of marketing for Susan G. Komen for the Cure. "Through Pink Together, the company is giving breast cancer survivors a unique opportunity to share hope with anyone who has ever been touched by the disease."

Save Lids to Save Lives

2009 marked the 11th year of Yoplait yogurt's **Save Lids to Save Lives** campaign, which also supports Susan G. Komen for the Cure.

Since 1998, when the program began, Yoplait has contributed more than \$22 million to the breast cancer cause. Once again, Yoplait donated 10 cents to the Cure for every pink lid submitted by Dec. 31, 2009, up to \$1.5 million, with a guaranteed donation of \$500,000.

The 2009 campaign was directed at women in their early 20s and 30s with media focused on social networking Web sites such as Facebook. And because breast cancer is the most common cancer in Hispanic women, Yoplait again this year partnered with breast cancer survivor Adamari Lopez, a well-known Hispanic "soap star" actress.

Lopez led the awareness effort by making appearances in eight different U.S. cities. And for the first time, Yoplait placed a national ad on Univision HSO – Hispanic television.

Yoplait also partnered with Dr. Kristi Funk, an oncologist at Cedars-Sinai Medical Center in Los Angeles, who worked with last year's spokesperson, singer Sheryl Crow. Dr. Funk teamed up with Yoplait for public relations and media outreach.



Adamari Lopez

Employees embrace the cause

Several employee groups and facilities lent a hand to support breast cancer research and awareness.

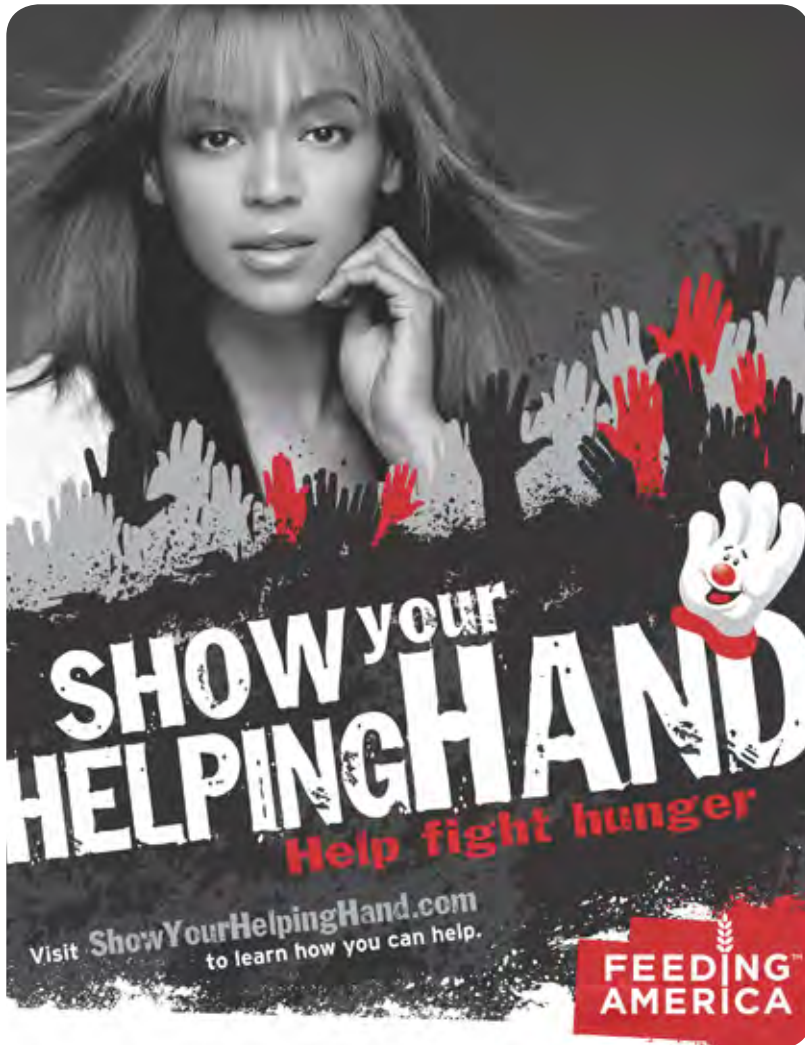
With a *Yoplait* matching donation, Knitting in General, an employee knitting group based at the Main Office in Minneapolis, raised more than \$10,500 for Susan G. Komen for the Cure.

The knitting club – which has about 65 members – meets regularly to knit items such as scarves, mittens, hats and doll clothes that it donates to support a variety of worthy causes such as the Hennepin County Medical Center (HCMC) in Minneapolis. The club donates almost 600 items to HCMC every year.

“Once again, we thank you for your thoughtful and caring contributions to benefit our patients,” said a December thank you letter from HCMC. “It is always a hthrill to go through the many bags ‘Santa’s helpers’ bring to HCMC and decide where your gifts will have the most impact.”

Knitting in General also knits wool helmet liners for U.S. troops serving in Afghanistan and hats for General Mills employees undergoing cancer treatment. In addition, employees at General Mills production facilities in Hannibal, Mo., Avon, Iowa, and Milwaukee, Wis., raise money to support breast cancer research and awareness.





Beyoncé shows a 'helping hand'

Singer and actress Beyoncé partnered with *Hamburger Helper* to help **Feeding America** deliver millions of meals to its food banks in 2009. The “Show Your Helping Hand” campaign was highlighted during Beyoncé’s summer concert tour. Feeding America is the largest hunger relief organization in the United States.

The partnership with Beyoncé funded delivery of almost three and a half million meals to local Feeding America food banks.

Beyoncé fans were encouraged to help fight hunger in one of three ways:

- By entering the code on specially marked *Hamburger Helper* packages. The campaign donated 18 cents – enough to deliver one meal – for every code entered.
- By donating money directly to Feeding America via its Web site. (General Mills offered a *Hamburger Helper* coupon for each donation.)
- By bringing nonperishable food items to donate at Beyoncé’s concerts.

“Through the work I do with my Survivor Foundation, I’ve been committed to helping families get back on their feet in difficult times,” says Beyoncé.

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The partnership with Beyoncé funded delivery of almost three and a half million meals to local Feeding America food banks.

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Betty Crocker partners with Make-A-Wish Foundation®

Betty Crocker partnered with the Make-A-Wish Foundation to grant 12 wishes to kids across the United States in order to help enrich the lives of children with life-threatening medical conditions.

The **Stirring up Wishes** promotion is part of the Betty Crocker multi-year cause marketing partnership with the Make-A-Wish Foundation, with an annual guaranteed contribution of \$250,000.

Betty Crocker gave each Make-A-Wish chapter the chance to receive funding for one of 12 wishes. A Web site encouraged visitors to vote for the Make-A-Wish chapter of their choice. The winning chapters were announced in June 2009.

In addition to online voting, the Web site also unveiled a different Wish Kid story and favorite Betty Crocker cupcake every week. One story was about 8-year-old Alex, who has acute lymphoblastic leukemia but eats, sleeps and breathes hockey.

Alex's one true wish was for a skating rink in his backyard. Summertime in New Hampshire can be hot, but Alex was soon skating on a 24-by-48-foot synthetic ice rink in August, thanks to the hard work of local volunteers.

Betty Crocker is engaging with the Make-A-Wish Foundation in other ways as well, such as through sponsoring local Make-A-Wish chapter events around the country and providing "party kits" to help the chapters celebrate the special event of granting a wish.



General Mills encourages diversity, across its supply chain and throughout society. We purchase from minority- and women-owned suppliers, opening avenues of opportunity in the marketplace. And our community activities support innovative organizations serving diverse audiences.

Promoting diversity inside the company

General Mills supports 17 employee networks and diversity councils. They include the:

- Black Champions Network
- American Indian Council
- Hispanic Network
- Asian Heritage Network
- South Asian American Network
- Betty's Family GLBT Network
- 10 Women's Network Groups and a Women's Officers group

At the end of fiscal 2009, 19.6 percent of our employees were minorities, a slight increase from 2008. Fourteen percent of management-level positions are held by minorities, and 21 percent of promotions went to minorities in 2009.

Women make up 47.6 percent of our U.S. salaried work force, 36 percent of our management positions and 52 percent of promotions.



Hispanic Leadership Day expands

The company's annual Hispanic Leadership Day has grown so big that its title has become a misnomer.

The "day" has evolved to three, with attendance jumping 30 percent in 2009.

"This event provides our Latino employees with insights, networking opportunities and other tools to empower them to succeed at General Mills," says Cristina Gonzalez de Mendoza, business trade manager in the Consumer Foods Sales division and 2009 event chair.

Hispanic Leadership Day's 2009 awards dinner attracted 155 employees – up from 90 the previous year – including 16 company executives.

"This leadership event clearly reflects the growing presence and impact of Latinos at General Mills," General Mills Chairman and Chief Executive Officer Ken Powell told the gathering. "The network's core values are all powerful statements about your future."

Asian Heritage Month celebrates wide breadth of Asian cultures

Another company observance to outgrow its original name is Asian Heritage Month, which began in 1979 as Asian Heritage Week but by 1992 had expanded to cover all of May. Special events are planned throughout the month by two employee groups – the Asian Heritage Network and the South Asian American Network.

Combined, the networks have several hundred members and work to foster a greater appreciation of Asian cultures among General Mills employees.

General Mills makes top 10 for women in leadership

For the sixth straight year, General Mills is on the National Association for Female Executives' (NAFE) list of top companies. And for the second time in three years, General Mills made the top 10.

The *NAFE* magazine notes that women made up 54 percent of participants in leadership training at General Mills and that women account for a third of P&L executives (those directly responsible for profit and loss). Five of the company's seven U.S. Retail president positions are held by women. Five women serve on the company's 14-member board of directors.

GLBT rights group awards General Mills top score

General Mills once again achieved a perfect 100 percent rating on the Human Rights Campaign Foundation's corporate equality index.

The company had received a 100 percent rating for several years but dropped to 95 percent for a year when the index – a benchmark for gay, lesbian, bisexual and transgender rights – changed its criteria.

An increase in counseling support for employees considering a gender change helped push the score back to 100 percent.

"We're thrilled because these additional benefits could make a significant change for the better in people's lives – now and into the future," says John

Smith Ricco, a marketing associate with the Meals division who is also co-president of Betty's Family GLBT Network for employees.

Diversity-related awards



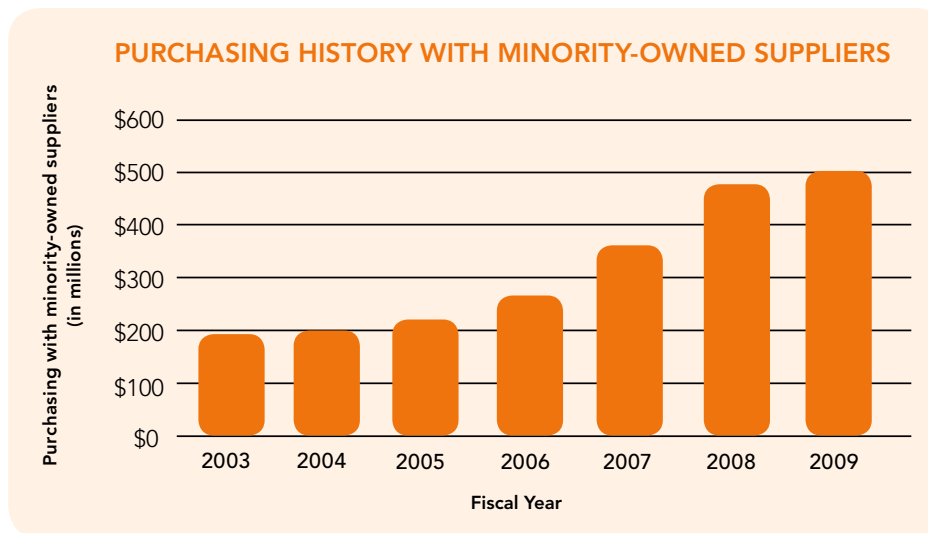
The company's efforts to create an inclusive, supportive work culture were recognized by a number of organizations in 2009, including:

- *Black Enterprise* magazine: 40 Best Companies for Diversity
- DiversityInc: Top 50 Companies for Diversity
- Human Rights Campaign: Best Places to Work for LGBT Employees

- *Latina Style* magazine: 50 Best Companies for Latinas
- National Association of Female Executives: Top Companies for Executive Women
- *Working Mother* magazine: Best Companies for Multicultural Women
- *Working Mother* magazine: Best Companies for Working Mothers

Encouraging minority- and women-owned suppliers

General Mills continues progressing toward its goal of spending \$700 million annually with minority- and women-owned suppliers by 2013.



In fiscal 2009, we spent \$495 million with minority-owned suppliers – up from \$460 million in 2008. In addition, the company spent \$105 with non-minority women-owned suppliers – up from \$98 million.

In total, the company spent \$600 million in fiscal 2009 with minority- and women-owned suppliers.

Promoting diversity in the community

Feeding Dreams honors unsung African-American heroes

The **Feeding Dreams** campaign has been a resounding success for both General Mills and the “unsung heroes” it honors.

Feeding Dreams asks people in four U.S. cities to nominate Community Champions – deserving everyday heroes who make their neighborhoods happier and healthier. People like Ekundayo Bandele, who introduces Memphis, Tenn., kids to the history of African-Americans in the fine arts; or Kelly Hutchinson, who founded a nonprofit in Rockingham, N.C., to help at-risk boys become healthy, productive men.

People vote online for their favorite Community Champion. General Mills awards grants to each local champion’s charity of choice based on the voting. A total of \$32,000 was awarded in 2009.

In fiscal 2009, General Mills once again increased its spending for multicultural marketing in the United States. Among the initiatives the company expanded are the African-American Feeding Dreams and the Hispanic Qué Rica Vida programs.

Among packaged food companies, General Mills is now the largest food advertiser to Latinos and a leading



marketer to African-American consumers. Feeding Dreams was created in 2008 with input from the company’s Black Champions Network employee group. Since then, sales to African-Americans rose significantly among participating brands in the campaign’s four target cities – Birmingham, Ala.; Charlotte, N.C.; Memphis, Tenn., and Norfolk, Va. The four participating markets were chosen because of their large African-American populations and involvement with key retailers such as Kroger, Food Lion, Jewel and Winn-Dixie.

Seven General Mills brands – *Honey Nut Cheerios*, *Yoplait*, *Bisquick*, *Grands!* biscuits, *Betty Crocker* desserts, *Betty Crocker* potatoes and *Nature Valley* granola nut clusters – participated in the initiative.

Bisquick wins with Qué Rica Vida

Striving to connect with Latino consumers, *Bisquick* sponsored a 2009 sweepstakes in *Qué Rica Vida* magazine that garnered thousands of entries and helped grow *Bisquick* sales with Hispanics in fiscal 2009.

Published by General Mills, *Qué Rica Vida* is distributed free to 350,000 readers and through stores and community centers. In addition to online registration, the sweepstakes featured grassroots registration drives in more than a dozen communities across the country.

From the pool of entries, five consumers won trips for two to Miami to enjoy a Mother’s Day Brunch with Karla Martinez, host of Univision’s *Despierta America* television show.

Getting minority students interested in the law

Minneapolis high school students of color may have a better chance of going to college – and possibly on to law school – thanks to the General Mills Law department’s participation in a student mentoring program.

The department hosted the final segment of the Summer Legal Institute, a program run by the Chicago-based Just The Beginning Foundation, whose mission is to nurture interest in the law among high school students from diverse backgrounds.

Twenty-three students spent the final segment of the weeklong program at the General Mills Main Office where they worked with company lawyers on negotiation strategies.

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“Diversity makes us a better employer, a better supplier and a better world citizen.”

KEN POWELL, CHAIRMAN AND CHIEF EXECUTIVE OFFICER, GENERAL MILLS

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Volunteers and minority students share goals

Conversations, stories and wisdom buzzed around conference tables at the company’s headquarters last June when 30 high school girls came to hear General Mills women of color talk about success in work and life.

This was the second annual visit by students from the Minneapolis North Community High School’s Girls in Action development program. During the visit, the girls heard from 16 General Mills leaders representing a variety of functions and divisions.

“Not long ago, I was in the same place as these girls – anticipating my future as an adult,” says Tamara Redmond, financial analyst and event volunteer. “I hope I shared a piece of myself that will help them understand the critical role of education and goal-setting in shaping a bright future.”

More than 500 girls have participated in Girls in Action since its 2005 launch at North Community High. The program, funded in part by the General Mills Foundation, focuses on personal power, leadership, service-learning and career development. Participants are 95 percent more likely to graduate from high school on time than their North Community High classmates.

General Mills champions diversity

In March 2009, General Mills sponsored a two-day Multicultural Forum on Workplace Diversity in St. Paul, Minn. The event drew nearly 1,000 attendees from across the United States.

For the two dozen General Mills employees in attendance, it was an opportunity to learn and share best practices with peers. For General Mills recruiters, it was a chance to meet talented job seekers. And for the company broadly, it was an opportunity to reinforce its reputation as an employer of choice.

“Diversity makes us a better employer, a better supplier and a better world citizen,” General Mills Chairman and Chief Executive Officer Ken Powell told conference attendees. Serving as the lunchtime keynote speaker, Powell said, “We don’t have all the answers, but we have learned much along the way.”

Ken Charles, vice president of Diversity & Inclusion at General Mills, served with other diversity leaders on a discussion panel.

“Diversity plus inclusion equals business value,” Charles says. “We connect with our consumers and our customers. We reap new ideas and innovation. And we recruit and retain the talent to win now and in the future.”

More than money to give

Since its creation in 1954, the **General Mills Foundation** has contributed more than \$420 million to nonprofit organizations with nearly \$200 million of that given in the past 10 years.

But our community giving goes far beyond financial contributions. It encompasses all of the innovative ways that we as a company share our resources and talents. With encouragement from General Mills, about 82 percent of our U.S.-based employees volunteer in their communities.

Time and again, our combination of volunteers and financial support has produced results for both the company and the communities in which we operate.

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With encouragement from General Mills, about 82 percent of our U.S.-based employees volunteer in their communities.

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General Mills employees volunteer in a number of ways to lend a hand.



Meals division keeps its philanthropy in Perspectives

The partnership between the General Mills Meals division and Perspectives, an agency for at-risk and disadvantaged families near Minneapolis, is entering its ninth year and is stronger than ever. That's because the benefits flow in both directions.

While Perspectives gets a reliable stream of volunteers and financial support, the Meals division gets a chance to build team spirit through activities that also help the community.

Every autumn, employees donate books to distribute to kids before the holidays. In December, they stock and manage a "holiday store" that allows kids to "shop" for gifts to give to parents or others. And every summer, employees hold a school supply drive.

The Meals division team found that volunteering helps build a strong common culture much more effectively than a standard team-building exercise could.

"Fun is a very fleeting foundation on which to build teamwork," says Meals division President Jim Murphy. "It doesn't cohesively pull the team together the way volunteering does. Our activities at Perspectives are sometimes fun and sometimes, frankly, challenging, but they always strike an emotional chord that lasts."

At times, the chord they strike is attached to a piano key. In 2008, the Meals division secured a Foundation grant to hire New York-based composer Jim Papoulis for a summer musical workshop at Perspectives. In three days, a group of pre-teens who'd never had so much as a music lesson formed a choir, wrote lyrics to their own song and recorded it.



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"I was struck by the energy and enthusiasm of the General Mills volunteers. I wish more companies would show that kind of commitment."

COMPOSER JIM PAPOULIS

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"It took a little time to break through," Papoulis recalls. "After all, these kids have been hurt a lot. But once I got them to talk honestly about themselves – once they were convinced that whatever they say is OK, which hasn't always been the case in their homes – the lyrics came pouring out."

"And I was struck by the energy and enthusiasm of the General Mills volunteers," continues Papoulis. "I wish more companies would show that kind of commitment."

The commitment was never more on display than during a recent holiday season, when Murphy mentioned at an employee meeting that some of the families at Perspectives had expressed a wish to have Christmas trees in their apartments. That's all he had to say.

"Wow, the money just came pouring in!" recalls Murphy. "We got enough to buy 50 trees decorated with lights, ornaments and garlands. It changed their whole holiday experience."

Honors stack up for employee who led response to Buffalo plane crash

When disaster struck a small upstate New York community in February 2009, Dave Bissonette sprang into action. The Buffalo plant safety manager's courage and leadership has been recognized by the National Safety Council and others. He's even been named "Citizen of the Year" in his hometown.

It was 9:45 p.m. on Feb. 13, 2009, when Bissonette, safety manager for the General Mills facility in Buffalo, N.Y., received a call that a Continental Airlines commuter plane carrying 49 people had crashed into a house on its approach to Buffalo International Airport.

For the next several days, Bissonette barely got a wink of sleep as he managed the crash scene as the volunteer emergency services coordinator for the Buffalo suburb of Clarence – a job he has held since 1992. His became a familiar face on TV news channels around the world.

"A big part of the job is to manage relationships among agencies," Bissonette says. "If I've been doing it right, the key people should know each other already. That allows you to get right to the job at hand."

The passengers had no chance – all 49 died, as did a resident of the house that was struck. (Miraculously, two others inside survived.) There was also little chance to put out the flames, which were being fed by airplane fuel. The best option was to keep the fire from spreading and protect neighboring homes and businesses.



PHOTO COURTESY OF THE BUFFALO NEWS

Dave Bissonette (left) works as the safety manager at our Buffalo, N.Y., facility. He also is the volunteer emergency services coordinator for a Buffalo suburb.

That's what they did. Thanks to the work of the responders and some luck in how the plane hit, the wreckage remained mostly confined to that single home. "It was a direct hit, and it's remarkable it only took one house," Bissonette told reporters. "As devastating as that is, it could have wiped out the entire neighborhood."

The emergency continued for three days, with Bissonette working round the clock, stopping for four hours a night to change clothes and catch a few winks. It was 12 days before the scene was cleaned up enough for him to return to work.

"General Mills couldn't have been better about supporting me," he recalls. "On day one my manager reassured me that I could take all the time I needed. The next day Gary Olmstead (Global Health, Safety and Environment director) called from Minneapolis to ask what they could do to help. That kind of backing allowed me to focus on the community for as long as it took."

Within three days of returning to work, Bissonette created a PowerPoint presentation to share with company leaders in Minneapolis on how he handled the emergency. The presentation on best safety practices has been shared with safety managers throughout General Mills.

"Dave did a phenomenal job managing the responders, dealing with the media, calming the local community and coordinating the grieving process for families and friends," says Olmstead.

For his work, Bissonette was honored by the National Safety Council for demonstrating "courage and leadership" in the wake of the deadly plane crash. He also received awards from the Rotary Club and the Masons of Western New York and was named "Citizen of the Year" by the Clarence (N.Y.) Chamber of Commerce.

General Mills UK 'youth buses' help troubled teens

General Mills UK has opened a second re-fitted bus that serves as a Mobile Youth Centre for teenagers in troubled areas of London.

The re-fitted bus, called "The Transporter," provides a supportive place for teenagers who might otherwise be left to walk the streets and potentially turn to crime. The bus is equipped with fun things for teenagers to do like download music. But it also provides services on more serious matters such as counseling and medical consultations.

General Mills UK has been involved with the Mobile Youth Centre project for more than six years. The new bus works in conjunction with the first bus – called "The Point" – that General Mills helped set up.

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The re-fitted bus, called 'The Transporter,' provides a supportive place for teenagers who might otherwise be left to walk the streets and potentially turn to crime.

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Peter O'Reilly of General Mills UK helped establish the Mobile Youth Centre.

Police say that first bus – when it was stationed near parks during school holidays – led to a 50 percent drop in police calls and a reduction in calls after the bus left the park.

"We are all incredibly proud of this new mobile youth centre that will help thousands of teenagers in the borough," says Peter O'Reilly, customer accounting manager. "The great work that the first bus has done can already be seen from the crime reduction statistics."

It's estimated that the first bus has helped serve about 29,000 young people. The second bus is now helping even more.



Providing disaster relief to those in need

The **General Mills Foundation** provides disaster relief to communities around the world. In addition to providing money, the company typically supplies food such as *Nature Valley* granola bars and *Green Giant* canned vegetables as well as coordinating help with company volunteers.

Following the January 2010 earthquake in Haiti, General Mills and its employees and retirees donated more than \$400,000 to help with the recovery and relief efforts. The General Mills Foundation gave \$150,000 to CARE International for long-term rebuilding efforts and \$100,000 to the American Red Cross International Response Fund for disaster relief. With an additional match from the Foundation, company employees and retirees from around the world – including Mexico and Europe – donated another \$150,000. In addition, a General Mills corporate jet also delivered more than a ton of medical supplies to Haiti, and the Foundation also matched employee contributions up to \$50,000.

General Mills also stepped in to help following natural disasters in these countries, states and territories:

- In American Samoa, US\$25,000 was given to the Red Cross Samoa Earthquake and Tsunami Appeal in response to the September 2009 tidal wave that killed more than 20 people on the South Pacific island.
- In Australia, US\$25,000 was allocated to the Red Cross International Response Fund following the worst wildfires in Australian history.



- In the Philippines, US\$25,000 was given to the Red Cross International Response Fund following a typhoon in the Manila area in September 2009 that affected more than 350,000 people.
- In Taiwan, US\$25,000 was given to the Red Cross International Response Fund following an August 2009 typhoon that killed more than 120 people.
- In Tennessee, \$10,000 was allocated to support disaster relief efforts after a tornado struck Murfreesboro, home to one of our food plants.
- In Georgia, \$25,000 was allocated to the American Red Cross in response to flooding in September 2009 in the southeastern U.S. that caused several deaths.

A top 10 contributor to Feeding America

During fiscal 2009, General Mills donated more than \$16 million in food products through **Feeding America**, the largest hunger relief organization in the U.S. Today, General Mills ranks among the top 10 contributors of food to Feeding America in the United States.

General Mills has partnered with Feeding America for 30 years and was one of the first companies to support its food bank network. In recent years, the company has been able to maximize its donations in several ways.

A cross-functional General Mills team worked to develop ways to donate more food – which otherwise would have been thrown out – to food shelves when the food was nearing its best-if-used-by (BIUB) dates.

A test of the pilot project increased product donations to food shelves in four states and saved more than 2 million pounds of food from being destroyed. The project also had the added benefit of reducing landfill waste and transportation costs to the landfill.



The project has since been rolled out companywide. But that's not all General Mills does to help feed the hungry. Employees throughout the company have also volunteered for years at community food shelves.

In Minneapolis, the 2009 volunteer-led food drive to help stock shelves at Second Harvest Heartland (the local branch of Feeding America) helped Second Harvest surpass its goal by 22 percent. Employees donated \$69,000 and 15,000 pounds of food. The General Mills Foundation matched those contributions by giving 85,000 pounds of food.

And in Cincinnati, General Mills employees volunteer at the FreestoreFoodbank, a local food shelf that provides nutritious and easy-to-prepare food for hungry children to take home on weekends. With more than 32,500 children in Cincinnati and surrounding areas who qualify for free or reduced school lunches, General Mills and others help the food bank pack and distribute "power pack" meals each week.

"'Power Pack' is important since there are so many children in our community who have little or nothing to eat on weekends," says Kathy Greenberg of the FreestoreFoodbank.

GENERAL MILLS HOSTS TWIN CITIES HUNGER FORUM

Underlying our decades-long commitment toward ending hunger, General Mills in November 2009 hosted the Twin Cities Hunger Forum, whose mission is to end hunger in the Minneapolis-St. Paul metropolitan area by 2013.

Several political and business leaders attended and shared best practices on how food companies can efficiently donate food to feed the hungry.

St. Paul Mayor Chris Coleman delivered the keynote address and praised corporate efforts to donate food as an "amazing source of hope."



'Outstanding Enterprise for Corporate Social Responsibility in China'

Our culture of giving is being recognized globally. General Mills was named an "Outstanding Enterprise for Corporate Social Responsibility in China" at the 2009 Corporate Social Responsibility Forum sponsored by China's Xinhua News Agency.

Based on experts' evaluations and online voting by Chinese Internet users, General Mills was one of only 10 companies, globally, to receive the honor.

Among the many initiatives General Mills China has undertaken:

- **Wanchai Ferry Water Cellars for Mothers.** In Northwest China's drought-parched Shaanxi province, water cellars – which are underground containers for collecting and storing rainwater – are prized like bank vaults. In many remote villages, the cellar is the only water source – for families lucky enough to have one. Most don't, which forces women to trudge for miles on mountain roads to fetch water that will be reused several times. In response to the need, in 2008 the General Mills Foundation donated US\$39,500 to build 300 water cellars in Shaanxi. The results were so encouraging that the Foundation doubled the donation in 2009 – US\$75,000 for 560 water cellars.



- **The Häagen-Dazs Love Library.** This library is for schools in poor and earthquake-affected areas of western China. Many schools in these regions can hardly provide paper and chalk for their classrooms, let alone books. Häagen-Dazs and the General Mills Foundation contributed RMB 500,000 (US\$73,000) to build the library, and General Mills China employees donated 35 cases of books to help stock the shelves.
- **The corn farms in Jixi in northeastern China.** The company contracts with farmers to grow corn used in making Bugles snacks. General Mills provides the seed, fertilizer and agronomic guidance and pays higher-than-market prices for all that is produced. As a result, villagers' household income has grown significantly over the past six years.

- **The Ruijin-Häagen-Dazs Breast Cancer Aid Fund.** The fund was launched in November 2009 to help impoverished breast cancer victims pay their medical bills. Breast cancer is the top killer of women in China's urban centers. Häagen-Dazs pledged US\$100,000 to jump-start the fund, which is a joint project of Häagen-Dazs, Shanghai Ruijin Hospital, Shanghai Charity Foundation and Shanghai Charitable Cancer Research Center.

"Such projects have created great social benefits and exerted a positive influence on sustainable development," said the Xinhua News Agency in announcing the award.

Food production technology transfer in Africa

General Mills' commitment to help improve food production in sub-Saharan Africa continues to expand and produce tangible results.



The project has been going so well, in fact, that General Mills has formed a partnership with the U.S. government to bring our pioneering technology transfer strategy to more African countries and to involve other companies.

"We have high hopes that this collaboration will encourage sustainable economic and social growth in some of the world's neediest countries," says Alonzo Fulgham, chief operating officer of the U.S. Agency for International Development (USAID).

The goal is to link General Mills' food safety and food processing expertise (along with nine other food companies and associations) with up to 200 small and medium-sized mills and food processors in 15 sub-Saharan countries.

Over the past two years, more than 300 General Mills researchers and scientists have logged more than 20,000 volunteer hours to help solve technical issues at several African facilities.

One example is our work with Zambia-based COMACO, which produces several products under the "It's Wild!" brand, including rice, peanut butter, honey, bananas and farmed fish.

The mission of COMACO, which stands for Community Markets for Conservation, is to curb the illegal poaching of animals and destruction of forests by creating alternative ways for people to earn a living such as farming and food processing.

The program was established in 2001 by Dr. Dale Lewis of the Wildlife Conservation Society and was based on his 30 years of experience in this region.

A young food scientist from COMACO – Jimmy Chikahya – spent eight weeks at General Mills headquarters in early 2009 learning about food safety, processing and packaging so he could take our best practices back to Zambia.

The replication of a COMACO-type partnership throughout sub-Saharan Africa could potentially create jobs, and help farmers and their families.



Our approach was recognized by U.S. Secretary of State Hillary Clinton in December 2009 as a good example of how government and businesses can work together to help solve global problems such as hunger.

"With over one billion suffering from hunger and malnutrition around the world, these are the kinds of steps that we need to be taking," said Clinton, referring to our partnership with USAID and the U.S. President's Emergency Plan for AIDS Relief.

This initiative – as well as our Join My Village effort (see page 53) – grew out of the company's initial effort begun in 2007 to pack "One Million Meals for Malawi." Later that year, the General Mills Foundation committed \$4 million to its "African Women and Children's Hunger Project" in Malawi and Tanzania.



Join My Village empowers women and girls

In September 2009, General Mills and CARE launched yet another initiative to empower women and girls – who grow and prepare most of the food in sub-Saharan Africa – in about 75 villages in Malawi.

CARE is an international organization whose mission is to lift the poorest families in the world out of poverty with a focus on women and children.

Join My Village pairs General Mills' expertise in cause-marketing with CARE's on-the-ground experience in Africa to fund a variety of economic development initiatives. General Mills has pledged up to US\$500,000 toward the effort.

About US\$200,000 has been used to:

- Launch and train 55 village savings and loan association groups.
- Distribute more than 110 scholarships to girls.
- Construct four houses for school teachers.

The remaining \$300,000 is being "unlocked" by people who visit the [Join My Village](#) Web site and engage in a series of online activities that are designed to educate people about living conditions in one of the poorest countries in the world.



As of the end of 2009, more than \$155,000 has been "unlocked" by the 5,400 people who have signed on to become Join My Village members. That brings General Mills' financial commitment to more than \$350,000.

"We are proud to join forces with General Mills to launch Join My Village," says CARE CEO and President Helen Gayle. "This new program aims to break the cycle of poverty in Malawi by empowering girls and women to become financially self-sufficient."

With a loan from one of the many village savings and loans that have been created, Astrid Kalinde hopes to open a grocery and tea room in her village of Mzati in Malawi.

Admission Possible: Coming full circle for General Mills

For many of the company's charitable causes, the giving is done because it's the right thing to do – not because there is an expectation of payback. But sometimes good deeds really do have a way of following the giver.

Take the case of Admission Possible, a nonprofit organization that helps talented low-income students get into college by helping them prepare for college admission, as well as completing the complicated financial aid forms.

The General Mills Foundation was a founding donor – providing its first corporate grant in 2001. Seven years later, the company recruited Lekueyen Lee to be a computer programmer analyst, unaware at the time that Admission Possible was a big reason Lee qualified for the job.

The son of immigrant parents from Thailand, Lee sought out Admission Possible as a senior at Johnson High School in St. Paul, Minn. He was one of the first in his family to attend college and needed guidance. With Admission Possible's help, Lee was accepted to St. Thomas University in St. Paul and graduated in 2007.

He joined General Mills a few months later and has been a valued member of the company's Information Systems department ever since.

"Lekueyen is very talented, has a great attitude and is a joy to work with," says his supervisor, Brian Mushitz, an IS department manager. "We're lucky to have him."



Lee says he's thankful he learned about the program and was not aware General Mills was a founding donor.

"I am grateful that Admission Possible and General Mills have helped me and other students achieve our educational dreams," says Lee.

General Mills also is fortunate to have such a skilled, highly motivated employee.

"We could see that Admission Possible was filling an important niche and knew what they were doing," says Ellen Luger, executive director of the Foundation. "But we never expected to directly benefit. Having Lekueyen at General Mills just reaffirms what a great organization Admission Possible is. We're proud to have been on the ground floor."

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"I am grateful that Admission Possible and General Mills have helped me and other students achieve our educational dreams."
.....

LEKUEYEN LEE,
GENERAL MILLS EMPLOYEE

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The Foundation remains an active supporter of Admission Possible. It has contributed nearly \$400,000 to the organization since 2001, and many company volunteers have also lent their expertise to the organization.

In addition, the General Mills Recruiting department has become a champion of Admission Possible. Instead of giving General Mills gift boxes this past holiday season to key campus contacts at the colleges where we recruit, the department donated \$10,000 to Admission Possible in their names.

"Admission Possible has an excellent track record, and we thought this would be a great way to help an organization that is truly making a difference," says Scott Weisberg, vice president of Human Resources who also serves on Admission Possible's board.

General Mills has been an early advocate of workplace wellness ever since it challenged its sales teams to compete in the company's first health promotion program (TriHealthalon) a quarter-century ago. In 2009, we took several new steps to improve employee health, including installing self-service health stations at our manufacturing plants, cash incentives to employees for healthful living and free healthy snacks at selected locations.

Monitoring vital signs

All of our North American manufacturing facilities and our world headquarters locations in Minneapolis are now equipped with LifeClinic Health Stations. They allow workers to check their blood pressure, weight and body mass index anytime, 24/7, and to keep a record of their health results.

In addition, the machines have USB ports for people to download the information for their personal records. People with diabetes, for example, can download their glucometer readings, and pedometer users can record their daily steps. (Company sites with less than 50 employees have a modified version.)

Since the machines were installed, employees have checked their blood pressure more than 36,000 times. Many were incited by a contest in which employees who checked their blood pressure three different times entered into a drawing to win a Wii sports game. There were 28 Wii winners among the more than 2,000 eligible employees.

"The best way to control health care costs is to be healthy," says Dr. Julia Halberg, director of Global Health at General Mills. "If these machines help prevent a single stroke or heart attack by making people aware of their health and what to do about it, we will be successful."

All of the individual information is confidential, but employees can choose to share it with doctors to provide them with a better picture of their overall health over time.

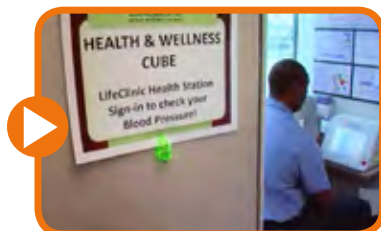
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"If these machines help prevent a single stroke or heart attack by making people aware of their health and what to do about it, we will be successful."

DR. JULIA HALBERG
DIRECTOR OF GLOBAL
HEALTH AT GENERAL MILLS

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WATCH VIDEO

New cash wellness incentives

In 2004, General Mills began offering a tobacco-free incentive to employees. They and their spouses or same-sex domestic partners earned a discount of \$10 per month on their medical benefit premiums if they stayed tobacco-free for a year.

About 65 percent of nonunion production workers and 91 percent of salaried employees participate.

In 2009, the company began offering two new ways for employees to cash in on good health habits:

- Employees who complete a confidential online health assessment by answering a series of questions about wellness, lifestyle and health history get \$50 just for completing the survey. An additional \$50 can be earned if a spouse or same sex domestic partner completes a survey. About 40 percent of eligible employees and 22 percent of spouses/partners have filled out a survey.
- Employees who exercise twice a week for 30 minutes apiece over six months earn a one-time payment of \$60. Employees can choose what type of exercise to participate in, whether it's walking, running, skiing, yoga or using the Wii Fit exercise video game. The participation rate was 35 percent in the first year of the incentive offering.

The incentives are part of the company's overarching wellness strategy.

Tailored employee wellness programs

General Mills operates three employee wellness programs. All three programs are similar but are tailored for the unique needs of these different employee groups:

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

The confidential online health assessment forms the foundation for our wellness programs. An employee's *Health Number* is calculated by asking seven questions about exercise, diet, alcohol use, tobacco use, stress management and mood, seat-belt use, and cancer screening.

In addition, employees' body mass index, blood pressure, blood sugar and blood lipid levels are measured and then tracked. Over time, we have witnessed significant improvements in employee health.

An exercise video was created by our on-site Fitness Center staff designed to be used by General Mills employees who travel. The video includes yoga and pilates exercises as well as other fitness exercises that can easily be performed in a hotel room or modest workout facility.

Encouraging healthy lifestyles

A two-year workplace wellness experiment worked so well in helping 100 of our technical employees lose a total of 800 pounds that it was expanded in 2009 to include more than 1,000 Innovation, Technology and Quality (ITQ) employees.

The CARE (Coaching, Activity, Resiliency and Energy) program offers an expanded package of wellness options, including:

- “Motion workstations,” or treadmills that allow employees to walk while they work.
- “Nourishment centers,” where healthy snacks like yogurt, cereal and fruit are available free all day.
- Meditation or quiet rooms for stress relief.

“We achieved success on a small scale within a couple of years,” says David Nathan, senior manager in ITQ. “Now we’re creating something that we hope will eventually benefit the whole company.”

While still in the pilot stage, the CARE program (then known as Be Fit and Strong) won a “Wellness by Design” award from Hennepin County, Minn., for creativity in implementing health and wellness into the workplace.

In 2009, General Mills was also recognized as a:

- Best Employer for Healthy Lifestyles by the National Business Group on Health
- Start! Fit-Friendly Company by the American Heart Association



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“We achieved success on a small scale within a couple of years. Now we’re creating something that we hope will eventually benefit the whole company.”
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DAVID NATHAN, A GENERAL MILLS EMPLOYEE WHO HELPED ESTABLISH THE CARE PROGRAM



The incredible shrinking chef

As a chef for more than 20 years, Scott Scherer's daily calorie intake was, in his own words, "pretty unbelievable."

That, and genetics, combined to conspire against him when it came to weight control. "I carry my dad's genes for body weight," the General Mills food scientist laments. But after watching his father struggle with health problems all through his retirement, Scherer was determined not to follow the same path.

By taking his chef's training in a new direction and passionately embracing exercise, Scherer has shed 50 pounds and dropped 50 points off his cholesterol level. He's managed to keep all the pounds and most of the points off for close to a year.

In addition to his own determination and his wife's support, Scherer credits General Mills' CARE (Coaching, Activity, Resiliency and Energy) program, a voluntary workplace wellness pilot offered to Innovation, Technology and Quality employees, with helping him achieve his goals.

"I met with a (company-provided) wellness coach once a week for many months," he explains. "And we didn't just talk about weight. She asked me about stressors in my home life. Do I have enough friends? Are finances causing me worry? Am I taking time for spirituality? She took a holistic approach that was kind of neat."



Scherer also took full advantage of the motion workstations – treadmills with computer docking stations – set up in the conference room on his floor. "I try to start my day with 30 minutes of walking," he says. "It gets me moving at a time of day when I'm just firing up my computer, going through my inbox, setting my priorities. I just plant myself on the treadmill rather than plant myself at my desk."

The treadmill walk is in addition to more strenuous exercise he does on his own. When the weather allows, that usually means a 12-mile bicycle ride to work and home again. "You get an awesome workout without taking too much time away from your day," he says. "It takes about 45 minutes, versus 30 when I drive in rush hour. That small change in schedule makes a huge difference."

Scherer has had to retrain the chef in him on how he thinks about food. "I'd always built my plate around the meat dish," he says. He hasn't abandoned meat altogether but, he says, "I discovered you can create appetizing entrees with carbs and vegetables."

One of his favorite new meals is crispy rice cakes topped with cilantro pesto and served with simple stir fry veggies (*Green Giant* of course). It's tasty and filling and not too high in calories.



Scherer can't say enough about the support of the company and his colleagues as he continues on his journey. "General Mills has provided so many tools to make it easier," he says. "The CARE program has been invaluable to me."

Scott Scherer

Promoting active lifestyles

In 2009, we continued our long tradition of sponsoring running events for our employees.

Employees, family members and friends braved brisk spring weather to participate in the fifth annual Run of the Mills on the Main Campus in Minneapolis in May. The 5K event drew more than 600 runners and walkers, and 160 kids for the quarter-mile "Trix Trot."

The *Pillsbury Doughboy* led a group of 40 employee volunteers in cheering on the runners and walkers at the fourth annual Doughboy Challenge 5K Charity Run hosted by the General Mills plant in Murfreesboro, Tenn., in September. The event drew 160 runners for a 5K run, and 14 walkers for the 1-mile "Fun Walk." More than \$14,400 was raised for three local charities.

More than 100 General Mills cycling enthusiasts took to the road to join the fight against Multiple Sclerosis (MS) in June. Known as the Spoons 'n Spokes, they participated in a three-day Duluth-to-the-Twin-Cities MS ride, logging 150 miles and raising \$125,000 for the fight against MS.



In late September, the General Mills World Headquarters campus served as the Twin Cities site for Step Out, the one-day walk/run in 200 U.S. cities to raise money for the American Diabetes Association. It was the fourth consecutive year we've hosted the event, which drew more than 1,000 people.

A few weeks later, 35 General Mills employees ran as a team in the Twin Cities Marathon – our largest contingent ever, and the fifth largest corporate team in the race. The team has grown from less than 10 runners just four years ago.

Pound for pound, employees prove to be big losers

General Mills partnered with NBC's popular "Biggest Loser" reality TV show in 2009 to launch the "Pound For Pound Challenge," a two-pronged program designed to encourage healthy living while fighting hunger in the U.S. For each pound people pledged to lose, General Mills donated enough money to deliver one pound of groceries to a local food bank – about 3.5 million pounds in 2009.

Along with the TV initiative targeted at the general public, General Mills also launched a parallel challenge for employees. More than 2,400 General Mills employees representing nearly every U.S. facility participated in the company's *Pound For Pound Challenge*. Grand prize winner Kathy Jones was selected randomly from all employee participants to win a trip to Los Angeles to attend the taping of "The Biggest Loser" season finale.



WATCH VIDEO

The company received high marks from several organizations for its worker-friendly environment. The following are among the awards received in 2009.

- 100 Best Companies to Work For (No. 90), *Fortune*
- Global Top Companies for Leaders (No. 3), *Fortune*
- 100 Best Companies for Working Mothers, *Working Mother* magazine
- 50 Best Companies for Latinas, *Latina Style* magazine
- Best Places to Work in IT (No. 1), *Computerworld* magazine
- Best Places to Launch a Career (No. 12), *BusinessWeek* magazine
- Top Companies for Executive Women, National Association for Female Executives
- Alfred P. Sloan Award for Business Excellence in Workplace Flexibility
- Top 10 in Annual Reputation Quotient Survey (No. 8), Harris Interactive
- World's Most Reputable Companies (No. 4 in U.S.), The Reputation Institute, *Forbes*
- World's Most Admired Companies, *Fortune*
- America's 100 Best Adoption-Friendly Workplaces, The Dave Thomas Foundation for Adoption
- Training Top 125 (No. 7), *Training* magazine



WORKPLACE BENEFITS FOR EMPLOYEES

General Mills operates a newly expanded onsite infant care center at its company headquarters in Minneapolis. In addition to providing onsite fitness centers, a wide variety of classes and clubs dedicated to everything from dodge ball to dog-sledding, our headquarters office also:

- Provides free seasonal flu shots to employees in October.
- Provides classes in yoga, zumba fitness, ballroom dancing and a host of other workouts through its employee fitness center.
- Operates an onsite health service clinic for employees.

General Mills has long been recognized as a great place to work – and for developing talent and leaders.

In 2009, General Mills ranked No. 3 in *Fortune* magazine's listing of the Global Top Companies for Leaders; No. 7 in *Training* magazine's ranking of top companies; and No. 12 in *BusinessWeek*'s listing of the Best Places to Launch a Career.

One reason the company has consistently fared so well is because it has aggressively pioneered the use and development of cutting-edge leadership programs. One of the newest, most popular initiatives has been the Mindful Leadership Program series.

The courses use a combination of mindfulness meditation, yoga and dialog to get leaders to develop the mind's capacity to pay attention – both to themselves and others – and to more clearly see what is happening in their lives.

Since the program began in 2006, more than 140 officers and directors have gone through the four-day core course – "Cultivating Leadership Presence through Mindfulness" – that is typically held at an offsite rural retreat site.

And another 150 have attended the other courses – "Catching Lightning: Innovation and Mindfulness" or "Mindful Leadership at Work."

After the Mindful Leadership at Work course (one session a week for seven weeks), survey research completed in 2009 showed that:

- 83 percent of participants said they often "take time each day to optimize my personal productivity" – up from 23 percent who said that before taking the course.
- 82 percent said they often "make time on most days to eliminate some tasks/meetings with limited productivity value" – up from 32 percent before the course.

And among experienced leaders participating in the Cultivating Leadership Presence course, 2009 research showed that:

- 80 percent reported a positive change in their ability to make better decisions with more clarity.
- 89 percent reported enhanced listening capabilities – to themselves and to others.

Janice Marturano (center), deputy general counsel at General Mills, helped develop the Mindful Leadership Program.



“Mindful leadership programs focus on training the leader to see and use a capability that is already part of who he or she is,” says Janice Marturano, vice president of Public Responsibility and deputy general counsel, who initiated the training. “Leaders who train in mindfulness begin to tap into this natural capability that can be cultivated and that ultimately expands a person’s repertoire of responses to each moment of the day.”

Marturano learned early from her father that the mind’s capabilities, like the body’s, could be developed. “The mental discipline of mindfulness training develops the mind’s ability to be focused and to notice the auto-pilot, fragmented way we live,” says Marturano.

Research has shown that in the age of cell phones, e-mails and texting, effective multi-tasking is a myth.

“The more people multi-task, the less efficient and creative they are at completing a task or solving complex problems,” says Marturano. “Our attention is constantly being bombarded. Mindfulness cultivates our ability to sustain attention for longer periods of time – to be in the moment actively in order to make clear decisions, to notice our propensity to react rather than ask ‘What’s called for now?’”



.....
“Our attention is constantly being bombarded. Mindfulness cultivates our ability to sustain attention for longer periods of time – to actively be in the moment in order to make clear decisions ...”

JANICE MARTURANO, GENERAL MILLS DEPUTY GENERAL COUNSEL, WHO HELPED DEVELOP THE MINDFUL LEADERSHIP PROGRAM

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The General Mills courses were developed jointly by Marturano and Saki Santorelli, executive director of the Center for Mindfulness, which is part of the University of Massachusetts Medical School.

“Leaders all over the planet are beginning to understand the benefits of purposefully learning to be more attentive and focused, nonreactive, and clear,” says Santorelli.

The courses were opened to other organizations in 2008, and the response has been very positive. More than 20 different organizations and companies have sent leaders to the four-day program. They have

also become very popular within General Mills – not only for the benefits they have created at work, but also for improving participants’ home lives.

After one intense family exchange, a mother who had attended a mindfulness retreat used what she had just learned and suggested that everyone just stop and take a deep breath.

“At that point my 12-year-old paused, looked at me and asked, ‘Who are you and what did you do with my mommy?’”

General Mills has one of the best workplace safety records in the food industry. But we continually work to make our facilities even safer. Our ultimate goal is zero workplace injuries.

In fiscal 2009, we recorded a total of 205 lost-time accidents at all of our manufacturing facilities globally, down from 212 the year before.

Even more encouraging, we are on a pace to improve our safety record even further as we strive for our five-year goal of a 25 percent reduction in lost-time accidents by 2012.

Kansas City elevator, Minneapolis mill reach new safety milestones

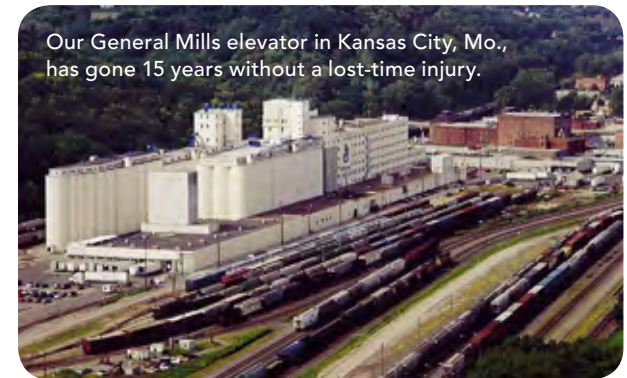
The General Mills elevator in Kansas City, Mo., surpassed two safety milestones in 2009: 15 years without a lost-time injury and 12 years without a recordable injury.

The milestones are significant, given the history of grain elevator safety. Every year, an average of 10 elevator explosions occur in the United States, sometimes resulting in injury or death.

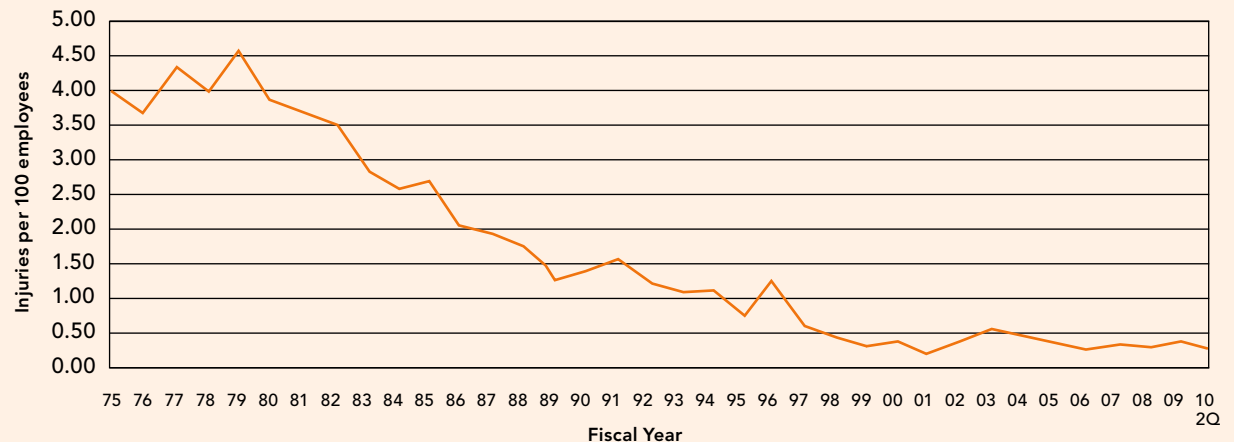
“The people in our grain elevators do more hard manual labor than almost anywhere else in the company, particularly during harvest when they work extended hours to load and unload trains of grain,” says Gary Olmstead, Global Health, Safety & Environment director. “That’s what makes this safety achievement so remarkable.”

The Kansas City elevator isn’t the only General Mills facility with a notable lost-time injury rate. The Purity Oats mill in Minneapolis has gone nine years – and 800,000 hours – without a lost-time injury. In fiscal 2009, 33 of the company’s 79 reporting locations had zero lost-time injuries (42 percent).

A lost-time injury is defined as an injury that requires an employee to take a day off work after the day of the injury. A recordable injury is an injury serious enough to require medical attention – such as stitches for a cut or prescription medication for back pain.



LOST TIME INJURY RATE HISTORY



FY09 is the first year that includes our international locations.

General Mills develops rail safety video

Even when empty, railcars weigh about 30 tons and are capable of exacting serious injury if not handled with care. Many injuries can be traced to someone choosing speed over safety in completing an assigned task.

In an effort to improve worker safety around railcars, General Mills teamed up with one of its suppliers, Cargill, in 2009 to create a railroad safety training video for employees of both companies. Jointly scripted, the 16-minute production dives into great detail on specific actions to take to avoid hazards and expect the unexpected when working around railcars.

The video is shown as part of safety training at all of our locations that receive or send shipments by rail, including grain elevators, flour mills and cereal plants.

“This was a successful collaboration that benefited both companies,” says Jim Collins, head of Global Safety for General Mills. “We are confident it will help improve safety for General Mills as well as Cargill.”

Safety is the proof, speaker says



Safety is the proof that you care about your people. That’s what former U.S. Treasury Secretary and retired Alcoa Chief Executive Officer Paul O’Neill told senior IT and Operations leaders when he visited General Mills in 2009.

Because safety is so crucial in the manufacturing industry, O’Neill – widely recognized as a corporate safety leader – challenged his audience to make each General Mills facility not just safe, but “accident-free.” Using experiences from both Alcoa and the U.S. Treasury, he energized company leaders about how significant improvements can be made.

O’Neill was at General Mills as part of the seventh annual ITQ (Innovation, Technology & Quality) Senior Leadership Safety meeting designed to educate, inspire and unite engineering and R&D leaders around the core value of employee safety and the role of leadership in reaching “zero injuries.” O’Neill encouraged all General Mills leaders to keep three questions in mind:

1. Is everyone in the organization treated with dignity and respect by everyone they meet?
2. Are you given what you need to make a contribution to the organization that adds meaning to your life?
3. Are you recognized for what you do?

If the answers are “yes,” then the foundation is laid for becoming an accident-free workplace. O’Neill served as Secretary of the U.S. Treasury from 2001 to 2002. He was chairman and chief executive officer of Alcoa from 1987 to 1999, and retired as chairman at the end of 2000.



Scissor lift tables are used at our Murfreesboro, Tenn., plant and many other locations. These tables maintain a constant height and swivel to minimize back strains due to lifting and over-reaching by employees loading and unloading pallets.



WATCH VIDEO

General Mills has a long-standing commitment to good corporate governance practices. These practices provide an important framework within which our board of directors and management pursue the strategic objectives of the company and ensure its long-term vitality for the benefit of shareholders.

Board independence and composition

General Mills believes that a substantial majority of its **board members** should be independent, non-employee directors. The board has adopted criteria for independence based on those established by the New York Stock Exchange. Director affiliations and transactions are regularly reviewed to ensure there are no conflicts or relationships with the company that might impair a director's independence from the company and our auditors.

All board committees are composed entirely of independent, nonemployee directors, and all directors stand for re-election annually. We also value diversity on our board of directors. As of the writing of this report, General Mills had five women and three minority directors on its 14-member board.

Board performance and operations

Board meetings and background materials sent to directors focus on the company's key strategic, leadership and performance issues. Executive sessions without management directors present are scheduled at each board meeting. The chair of the Corporate Governance Committee acts as presiding director at executive sessions.

Director Code of Conduct

All directors are governed by the company's Director Code of Conduct. The Corporate Governance Committee of the board ensures compliance with the Director Code. A copy of our **Director Code of Conduct**, along with charters for all board committees, can be found online in the **Corporate Governance** section of GeneralMills.com.

Management governance and compliance systems

General Mills is firmly committed to integrity in its financial reporting and control activities. The **Employee Code of Conduct** establishes our high expectations and standards of ethical behavior in the workplace, particularly in the area of financial reporting and control. The company employs a comprehensive internal control framework that includes definitive policies and procedures, effective internal control standards, and regular monitoring and auditing activities to ensure that our business is appropriately controlled and that our financial reporting complies with all regulatory standards.

Our management assertions regarding the integrity of our financial reports and internal control systems are supported by a rigorous and regular testing process across all of our material financial reporting activities with further testing and review by our internal audit function and our external auditors.

The Audit Committee of the board of directors receives regular updates on our financial reporting and control activities. The Audit Committee also reviews the company's actions in the area of risk management and broader compliance activities.

Ethics and compliance program



At General Mills, we have high expectations for ethical conduct in every aspect of our business.

The Ethics & Compliance group, led by the chief compliance and risk officer, is responsible for creating awareness of our ethical standards, highlighting potential ethical issues for employees, developing training, investigating concerns raised through our Ethics Line and ensuring that all employees receive information about our ethical expectations.

General Mills' global reputation as an ethical company depends on each employee acting 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.

Communications and training

We communicate our expectations through training opportunities and educational modules on our company intranet. Employees participate in live and online scenario-based training to illustrate ethical decision-making in daily business activities.

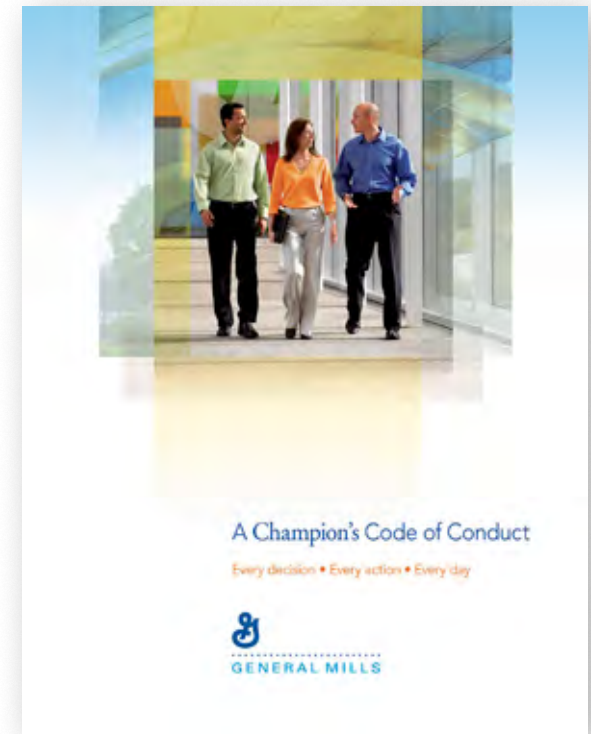
Posters highlighting key messages from our **Code of Conduct** are posted in manufacturing facilities and offices. The Code and posters are available in 11 languages for our global work force. Employees also have access to an intranet site dedicated to Ethics & Compliance information and resources.

The site provides access to the Code, our corporate policies, online training and the Ethics Line, and is available in 11 languages.

In 2008, we created a new feature on the Ethics & Compliance Web site – Ethics Matters – to provide employees with real examples of employees who have either upheld our ethical culture in key decision-making or violated our ethical standards and policies. The vignettes provide a teaching opportunity for our employees to see the application of our Code of Conduct in everyday business.

Investigating and resolving concerns

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 via the Web. Employees can use this resource to report an actual or suspected violation or to raise a question.



A commitment to a fair workplace

General Mills' responsible sourcing program begins with a clear commitment to protecting human rights in its own workplace. 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 at Work. We have policies and a **Code of Conduct** in place so our employees understand and act in accordance with these protocols in all areas, including employee health and safety, labor standards, environmental protection, and anti-corruption.



To ensure that we live up to our commitments, we have broad-based training programs and Human Resource personnel at General Mills locations who are dedicated to the promotion of best practices and compliance with all applicable laws. A confidential hotline is available to employees who wish to report issues on an anonymous basis.

We use internationally recognized third-party auditors to test compliance with our responsible sourcing standards. Where agricultural operations are closely affiliated with plant locations, they are included in the audits. We plan to have all General Mills-owned facilities audited by mid-2012. Each audit is carefully reviewed by our responsible sourcing team and senior Supply Chain management, and facilities are required to devise and implement corrective action plans.



PAY PROBLEM SOLVED

In a responsible sourcing audit, we found that a supplier had failed to pay its workers the proper amount of overtime. After we notified the supplier of the issue, they paid the amounts owed and implemented a new system to monitor compensation.

.....

General Mills' responsible sourcing program begins with a clear commitment to protecting human rights in its own workplace.

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Upholding our values throughout the supply chain

Our commitment to responsible sourcing extends to our supply chain. Through our [Supplier Code of Conduct](#) and contracts, we hold our suppliers to the same UNGC and ILO principles that we apply internally. Similar to our own plants, we use third parties to audit all producers of finished goods for General Mills. All of these facilities are scheduled to be audited by mid-2012. When we find noncompliance with our standards, we notify our contractors and require them to develop and implement a remediation plan. We then follow up to ensure the issues are resolved.

Working to promote an industrywide solution

Responsible sourcing affects the entire supply chain of the consumer packaged goods industry. We believe that joint action, consistent with all antitrust laws, will yield a better workplace for employees and give consumers confidence in the products they purchase. 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. In recent months, we and 12 of our peer companies have agreed to recognize each other's audit tools and process. This agreement will promote responsible sourcing while reducing the duplication of supplier assessments.

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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Responsible sourcing affects the entire supply chain of the consumer packaged goods industry. We believe that joint action, consistent with all antitrust laws, will yield a better workplace for employees and give consumers confidence in the products they purchase.

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OPENING A LOCKED DOOR

During a supplier audit, we found that the supplier had locked its doors from the inside – and only one supervisor had the key. In talking to management, we found that the plant had good reason to be concerned about employee safety and theft. We worked with them to find a technology solution that not only protected their employees and property, but also made sure that the doors could be opened during an emergency.



“General Mills is committed to protect and conserve the natural resource base our business depends upon by continuously improving our environmental performance. We build consumer loyalty, societal trust and shareholder value by integrating sustainability into our strategies, our operations and our products.” – GENERAL MILLS ENVIRONMENTAL SUSTAINABILITY MISSION STATEMENT

On an organizational level, we have an Applied Sustainability Team that includes representation from throughout the company. We’ve expanded the team to include sourcing and financing functions, in addition to engineering, packaging, law, sales, R&D and consumer insights. The team meets weekly to share best practices.

Adding the sourcing expertise is important because the lion’s share of our environmental footprint occurs outside the walls of the company. So bringing these skills to the table helps ensure that we continue to improve our overall environmental performance by influencing those with which we do business.

And adding our finance, reporting and control expertise should help to increase the level of rigor and discipline on how we measure and improve our environmental performance.



Holistic Margin Management and Continuous Improvement

Our efforts to reduce our environmental footprint have also been greatly aided by two movements within the company: Holistic Margin Management (HMM) and Continuous Improvement.

HMM is a companywide initiative that calls on business units to carefully examine all potential savings with an eye toward capturing and reinvesting savings to further grow our business. Continuous Improvement describes an approach to business where employees are encouraged to use a set of standardized tools and processes to minimize costs and eliminate waste.

Although both terms are a mouthful, they have contributed millions of dollars to the company’s bottom line over the past five years – and, in many cases, also resulted in environmental improvements.

As Keith Bone, our plant manager in Albuquerque, N.M., noted when explaining why his plant is pursuing LEED (Leadership in Energy and Environmental Design) certification, “Being environmentally responsible doesn’t have to cost you money – it may actually save you money.”

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“Being environmentally responsible doesn’t have to cost you money – it may actually save you money.”

KEITH BONE, PLANT MANAGER IN ALBUQUERQUE, N.M.



Grassroots sustainability

HMM and Continuous Improvement have been embraced by our employees, who are looking to trim waste in many areas of the company. From the plant floor to the corporate offices, employees have embraced sustainability and made it their own. Teams have formed at nearly all locations to identify opportunities to conserve energy, water and reduce waste.

Some have clever names, like our Cincinnati plant's "Kilowatt Killers," whose efforts reduced the peak summer electricity load by 17 percent in two years. Others sport no special moniker but still show impressive results, like an 11 percent drop in water consumption in San Adrian, Spain, in fiscal 2009.

The environmental team at our plant in Murfreesboro, Tenn., went so far as to create a mascot. Mr. WEGS, the friendly "green" grasshopper, attempts to "engage workers without inundating them with charts," to quote one of his creators.

Mr. WEGS, which stands for **W**ater, **E**nergy, **G**reenhouse gases and **S**olid waste, stars in instructional videos, appears at plant functions and public events, and (in cartoon form) adorns all visual communications from the plant's energy team.

Mr. WEGS and his creators appear to be having an impact: Employee suggestions elicited by the campaign led to \$86,000 in reduced energy, waste and water costs in 2009. Project Aqua Verde ("Green Water"), in which

the plant's treated wastewater is diverted to a nearby public golf course, is another visible example of their efforts to date. (See p. 83.)

The General Mills plant in Belvidere, Ill., is saving through FLOWWER Power. An acronym for "Friends Lowering Our Waste, Water and Energy use," this employee-led campaign identified 40 efficiency opportunities at the plant. No idea was too simple ("turn off pop machine") or too sophisticated ("upgrade heat recovery system"). They saved 6.4 million kilowatt hours and 421 tons of waste last year.



Roxie Casale (left) and Jann Underwood of our Murfreesboro, Tenn., plant spend some quality time with Mr. WEGS.

Cereal success

Big G cereal plants are working together to save energy and water while reducing solid waste.

“Our main success revolves around actively sharing best practices,” says Jenny Wright, senior technical manager at our facility in Lodi, Calif. “This allows plants to rapidly adopt good ideas without having to reinvent the wheel.”

As a result, multiple plants have executed energy idea contests, installed new lighting, and implemented climate control projects and compressed air improvements, among many others.

Summer of Sustainability

At the General Mills World Headquarters in Minneapolis, the warm weather months ushered in an entire Summer of Sustainability. Each week from June through August, an e-mail was circulated with news of a new green initiative.

One of the most successful, a plastic bottle cap collection, netted 140,000 caps that were donated to a local hair care company, which melts them into shampoo bottles. Another campaign to encourage bicycle commuting sparked a surge in pedal-pushing, as employees logged 26,000 commuter miles and saved 1,300 gallons of gas. And 200 employees and family members turned out on a Saturday to build birdhouses and learn about bird habitats.



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“Our main success revolves around actively sharing best practices. This allows plants to rapidly adopt good ideas without having to reinvent the wheel.”

JENNY WRIGHT, SENIOR TECHNICAL MANAGER
AT OUR FACILITY IN LODI, CALIF.

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A PICNIC FOR THE PLANET



In September 2009, an end-of-the-summer picnic kicked off the employee-focused sustainability campaign at General Mills’ Canada sales office in Mississauga, Ontario.

Employees enjoyed strictly human-powered carnival games as they learned about the facility’s goals to reduce solid waste 20 percent and electricity use 5 percent in the next two years. Efforts under way include composting waste from the cafeteria and test kitchen and switching from Styrofoam to china, and designating “paper-free” meeting rooms.

Working toward our sustainability goals

General Mills has established global five-year sustainability goals for our manufacturing facilities. At the end of year four in May of 2009, we've surpassed our solid waste reduction goal, and are still progressing toward our energy, greenhouse gas and water goals.

We have reduced our solid waste generation rate by 24.5 percent since 2005 – far surpassing our goal of 15 percent. As mentioned earlier, the company's Holistic Margin Management and Continuous Improvement approaches are largely responsible for this reduction. At the end of fiscal 2009, more than two-thirds of our North American plants had met this goal – some by a very large margin.

The energy and greenhouse gas emission goals have been more challenging due to changes in the products we sell today compared with the products we sold in our baseline year of 2005.

For example, we are now selling less flour and more cereal than in 2005. Flour is more dense and uses relatively little energy to produce, while cereal is not dense and requires more energy. Had we been producing the same mix of products in 2009 as we did in 2005, we estimate that our total energy rate reduction would have been about 7 percent.

Without accounting for this change in the mix of our products, however, our reduction was less. We reduced our energy usage rate by 2.4 percent and related greenhouse gas emission rate by 2.3 percent. Through fiscal 2009, we are short of our goal to achieve a 15 percent reduction by the end of fiscal 2010.

Metric	Reduction rate goals for FY2010*	Actual reductions through FY2009
Solid Waste Generation	15 percent	24.5 percent
Water Usage	5 percent**	2.2 percent**†
Energy Consumption	15 percent	2.4 percent
Greenhouse Gas Emission	15 percent	2.3 percent

*Waste, energy, greenhouse gas and water reductions are normalized per metric ton of product.

**Water has an FY2011 goal of 5 percent, using FY2006 baseline data.

†The water rate reduction would have been 4.7 percent except for increased use at one facility that began in FY2009.

Even though our overall energy reduction has been challenging, several of our businesses have made significant improvements since fiscal 2005:

- The plants that produce our Big G cereals – our largest business in the U.S. – reduced their energy consumption rate by 7.4 percent through the end of fiscal 2009.
- The plants that produce our Pillsbury products reduced their energy consumption rate by 18.4 percent through the end of fiscal 2009.
- The plants that produce our Yoplait products reduced their energy consumption rate by 13 percent through the end of fiscal 2009.

We have also made progress in our efforts to reduce water usage. Through the end of fiscal 2009, we reduced our water usage rate by 2.2 percent – not quite halfway toward our 2011 goal of a 5 percent reduction. It should be noted, however, that more than half of our North American facilities have already met their 2011 water reduction goal.

We have identified one plant as the major challenge to meeting the water reduction goal due to a change in its manufacturing processes. Excluding this one plant, the companywide water usage rate reduction would have been 4.7 percent. We are currently working to evaluate and address the water challenges in this plant.

As we continue to work on sustainability across our supply chain, we remain confident that the groundwork we've laid will show even more progress in the future.

Environmental audits

General Mills performs comprehensive safety and environmental compliance audits on a regular basis at all of our manufacturing facilities. All audit findings and recommendations are tracked to resolution.

We also incorporate environmental management system assessments and best practices into our audits as well as recommendations for improvement.

Energy

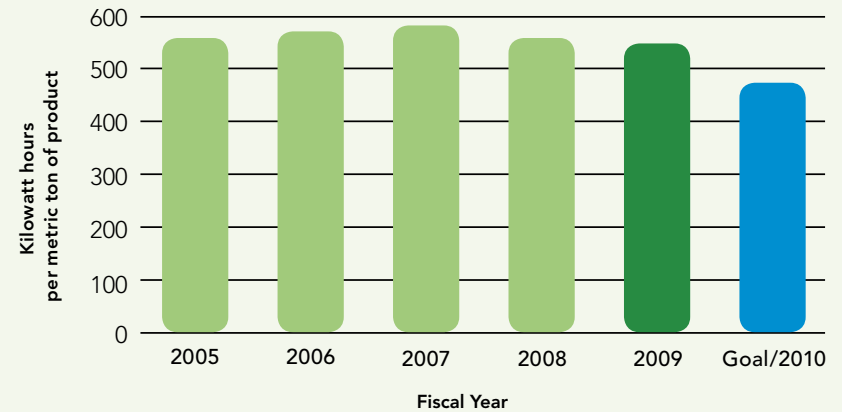
As a food company dependent on agriculture for many of our primary ingredients, climate change – and its possible effect on crops – has long been a concern. That's one of the reasons we have taken steps to reduce our energy use.

In fiscal 2009, our facilities used the equivalent of 547 kilowatt hours of energy per metric ton of production – a 2.4 percent reduction from our 2005 baseline. As mentioned earlier, our reductions are more substantial than this number suggests.

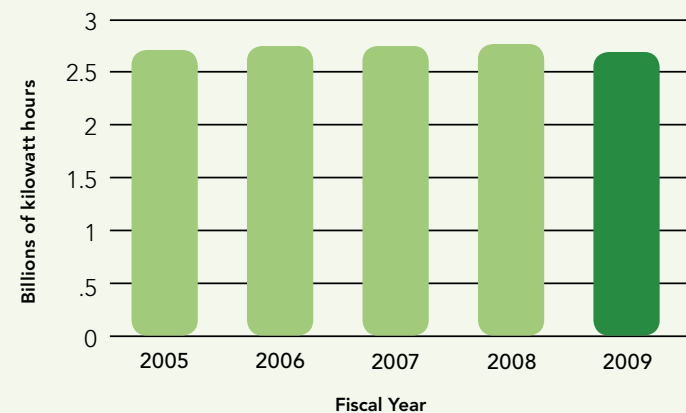
That's because more of the products we make today are cooked or toasted, which requires more energy than when we first started measuring our overall energy usage. And they are also less dense, which skews our energy use per metric ton of production upward. Had we been producing the same mix of products in 2009 as we did in 2005, our total energy consumption rate reduction would have been about 7 percent.

Throughout the world, General Mills facilities are working to trim their energy use.

ENERGY CONSUMPTION RATE



RAW ENERGY CONSUMED



Wind power in Spain

In April 2009, our plant in San Adrian, Spain, switched to an electricity provider that uses only renewable sources such as wind power.

The move saves €125,000 (US\$175,000) per year in costs and reduces carbon dioxide emissions by more than 6,000 tons. The San Adrian plant now gets 100 percent of its electricity – and a third of its energy overall – from renewable sources.

But that's only the beginning of San Adrian's environmental improvement efforts. The plant is achieving equally impressive results in many other areas:

- A savings of 170,000 kilowatts per year in electricity by reducing the load on air compressors.
- Water consumption is down 58 percent over the past five years due mostly to "people paying more attention."
- Waste sent to landfills is down 67 percent over the five-year history of the plant, mostly thanks to an improved recycling system that makes use of easy-to-spot colored containers.

"The entire team at San Adrian has dedicated itself to saving money while saving the earth," says Plant Manager John Roszbach. "It's been incredible to see what can be achieved through single-minded dedication to an ideal."



"The entire team at San Adrian has dedicated itself to saving money while saving the earth. It's been incredible to see what can be achieved through single-minded dedication to an ideal."

JOHN ROSZBACH, PLANT MANAGER, SAN ADRIAN, SPAIN

INVESTING IN WIND POWER

General Mills has also invested in a community-based wind energy project about 60 miles west of our headquarters near Minneapolis.

When completed in about two years, the **Norfolk Wind Energy** project, based in Bird Island, Minn., will have the capacity to generate about 40 megawatts of electricity – enough to supply about 12,000 homes. The electricity (generated from 20 wind turbines) will be fed into the local power grid, which also supplies our headquarters.

General Mills invested US\$500,000 in the project at the low point of the recent economic downturn, in part, to help spur additional investment. Gregg Stedronsky, vice president of engineering at General Mills, now serves on the Norfolk Wind Energy Advisory Board.

“We are extremely excited to have Gregg and General Mills join the Norfolk team,” says Dave Scheibel, who heads the project’s board. “General



Mills’ involvement brings global, Fortune 500 expertise and knowledge to our board of advisors that will certainly benefit our project.”

Norfolk is currently negotiating with farmers – including several who grow Green Giant vegetables for General Mills – for the rights to locate wind turbines on their property. Farmers will be able to augment their income with turbines on their property.

Saving energy in California

Electricity use at General Mills’ southern California cold storage facility is down 27 percent after the company installed a new refrigeration control system in 2009.

The Dominguez Hills Customer Service cold storage and shipping facility, located just two miles south of the General Mills *Yoplait* plant in Carson, stores both yogurt and refrigerated dough. In an effort to improve efficiency, the company invested in a new refrigeration control system, which included installing new control panels for air coolers and new software for monitoring performance.

These sustainability solutions were the result of the collaboration between General Mills employees, an industrial energy contractor, and the team from Southern California Edison.

“We saved more than a million kilowatt hours in 2009,” says Lyn Bolt, a financial analyst at the Dominguez Hills facility who played an instrumental role in the project. “Because of the upgrade, the facility is using less electricity today and will save even more in the future.”

Adds Scott Cassman, customer service facility manager at Dominguez Hills, “We talk about sustainability all the time. In our distribution centers, there’s rarely a meeting that goes by where sustainability doesn’t come up.”



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“In our tests, we found that oat hulls had 80 percent of the energy value of coal. We’ve been working ever since on projects to take advantage of this. We hope this project can serve as a model for others in the company to emulate.”

SUSAN SOBIECK, GENERAL MILLS SUPPLY CHAIN GRAIN MERCHANTISER

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Construction begins on first biomass burner

The General Mills oat milling facility in Fridley, Minn., will soon become the company’s first biomass-powered plant.

Construction has begun on a biomass burner that will consume about 12 percent of the oat hulls left over from the milling process to make food like *Cheerios*. The energy produced from the burning of the oat hulls will be enough to produce 90 percent of the steam needed for heating the plant and making oat flour.

Not only will this reduce the plant’s carbon footprint by an estimated 21 percent, it will also save more than \$500,000 in natural gas costs every year.

Though Fridley will be the first biomass-powered plant for General Mills, it won’t be the first use of the company’s oat hulls for power. For several years, our oat hulls were used as a fuel at a steel plant. Earlier in 2009, General Mills also began supplying hulls from its Fridley and Minneapolis facilities to Koda Energy in Shakopee, Minn., to generate electricity.

The Koda facility, which is a partnership between the Shakopee Mdwakanton Sioux Community and Rahr Malting Co., began generating electricity in early 2009. The plant creates enough energy to power 30,000 homes, and General Mills supplies about a third of the plant’s fuel needs, or 60,000 tons of oat hulls per year.

“In our tests, we found that oat hulls had 80 percent of the energy value of coal,” says Susan Sobieck, General Mills supply chain grain merchandiser. “We’ve been working ever since on projects to take advantage of this. We hope this project can serve as a model for others in the company to emulate.”

The new biomass burner is expected to be online by early 2011.

Preservation is the new green: General Mills headquarters campus lauded for preserving and sustaining

In a speech at General Mills headquarters, the president of the National Trust for Historic Preservation praised the company for preserving its historic architecture even as it has expanded and updated in recent years to incorporate green design.

“Reuse of historic properties is an inherently sustainable act,” said Richard Moe, made even more sustainable through today’s technology. Construction requires energy to make steel and concrete, more energy to haul everything to the site, and still more to build. “And all that energy gets wasted when a building is demolished.”

When members of the Preservation Alliance of Minnesota invited Moe to speak about “historic preservation as sustainable design,” they chose General Mills headquarters as the venue because they consider it “one of Minnesota’s most acclaimed Modernist masterpieces” as well as one of its greenest corporate buildings.

The original design of the 1958 Main Office building included several features that were considered very forward-looking at the time, including an early-style “green roof,” which was designed to hold a shallow pool of water that would reflect sunlight to minimize cooling costs.

A newer “green roof” now sits atop the second level of the North Main building. In a perfect marriage of old and new, a 7,500-square-foot garden bedecked with more than 4,000 perennials serves as natural insulation for the 51-year-old building below.



A green roof can reduce heating and cooling needs by up to 26 percent while mitigating the “urban heat island” effect caused by roofs re-radiating heat into the atmosphere.

The next best thing to a green roof would be a white one, which reflects summer heat rather than absorbing it as a darker roof does. The Main building – constructed at the same time as North Main, in 1958 – now sports such a roof, which is an Energy Star-approved roofing product.

The roof of the nearby East Wing building (gray gravel – not quite white but still reflective) is also home to solar panels on campus. In replacing a water heating system in 2008, building managers hooked up hot-water-generating solar panels to provide hot water for two bathrooms to test the technology.

Other buildings on our headquarters campus are also getting greener. The nearby Bassett Creek

building is under consideration for LEED (Leadership in Energy and Environmental Design) certification from the U.S. Green Building Council. LEED is an internationally recognized set of standards for environmentally sustainable construction.

The building has several small boilers that fire up as needed, rather than a large boiler that would use more energy. And there is a storm water drainage system with holding ponds on campus to reduce run-off from parking lots and to allow collected water to be reused for watering.

All of these additions have been accomplished while maintaining the architectural integrity envisioned by the early designers of the campus.

“That makes this complex a great showcase for promoting preservation as a tool for fighting climate change and fostering sustainable design,” says Moe. “Buildings are renewable – not disposable – resources.”

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“Reuse of historic properties is an inherently sustainable act ... Buildings are renewable – not disposable – resources.”

RICHARD MOE, PRESIDENT OF THE NATIONAL TRUST FOR HISTORIC PRESERVATION

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Greenhouse gas reduction

In fiscal 2009, our total emission of greenhouse gases due to energy use in production facilities, expressed as carbon dioxide (CO₂) equivalents, was 0.21 metric ton equivalents per metric ton of production. This represents about a 2.3 percent reduction from our 2005 baseline. Our calculations are based on U.S. EPA's Climate Leaders Greenhouse Gas Inventory Protocol. It should also be noted that General Mills is a participant in the Carbon Disclosure Project.

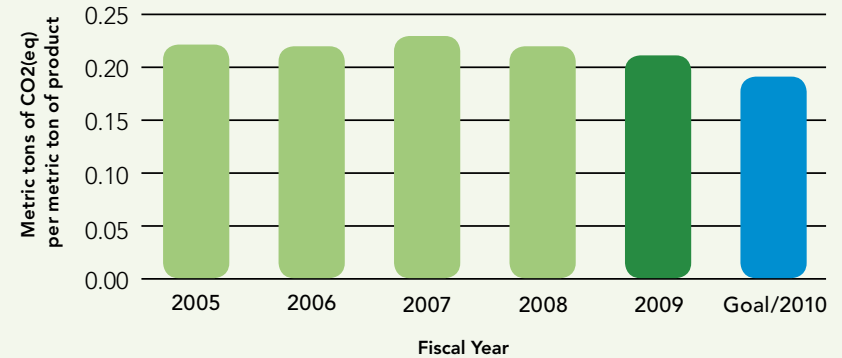
Essentially, all of the greenhouse gases produced by the company's manufacturing plants are derived from energy usage. We use natural gas, fuel oil and propane, as well as electricity generated by various sources.

We have no significant emissions of other greenhouse gases such as methane, nitrogen oxides or hydrofluorocarbons (HFCs).

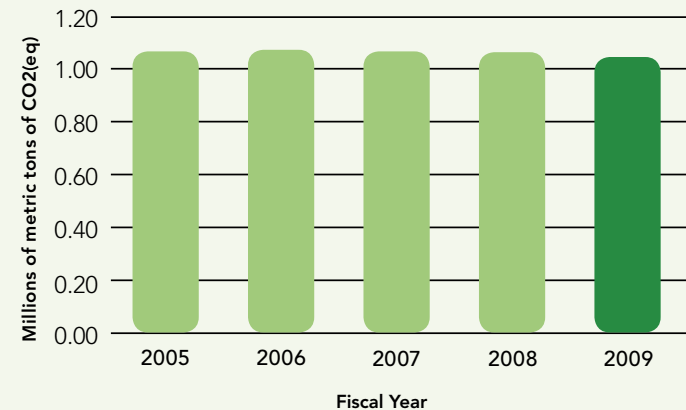
Although food processing operations are not typically large direct generators of carbon dioxide, the company has still implemented a comprehensive program across our businesses to track and review carbon dioxide generation.

As explained earlier, more of our current products are cooked or toasted, which requires more energy. Today's products are also lighter in weight. Together, that has skewed upward our energy use per metric ton of production. Had we been producing the same mix of products in 2009 as we did in 2005, our total greenhouse gas emission rate reduction would have been about 7 percent.

GREENHOUSE GAS EMISSION RATE



RAW GREENHOUSE GAS EMITTED





Teams from throughout General Mills hold regular video-conferences with teams in the field and vendors. The effort reduced airline travel by 1,800 trips in six months.

Virtual collaboration tools reduce our carbon footprint

A new virtual collaboration system – which includes state-of-the-art video conferencing rooms – has cut global airplane trips by more than 9 percent in June through December of 2009 compared with a year earlier. In addition to saving the company millions of dollars, the initiative reduced our carbon footprint by more than 1.5 million pounds.

The system allows General Mills to better communicate with both our external partners and internal teams without having to meet in person.

For example, we held a week-long planning session between one of our New York-based advertising agencies and marketers in Minneapolis via one of the video conferencing terminals that is located in the advertising agency's office. The planning session was held without a single person getting on a plane, and also resulted in savings for the agency.

The system is also used by our sales force, allowing the team at our Minneapolis headquarters to hold regular video conferences with sales staff in the field, which are typically located where our customers are.

Since the program launched in 2009, video conferencing at General Mills has doubled and nearly 1,800 fewer airplane trips were taken in June through December 2009 than in the comparable time frame a year earlier.

"Virtual collaboration has come a long way in the past few years, and these new tools are surprisingly easy to use," says Erin Dunn, director of Corporate Services. "Combining the right technology and room setup to meet the needs of the business allows us to create a viable alternative to travel."

MAKING TRANSPORTATION MORE EFFICIENT

A new computer-based transportation system rolled out in fiscal 2009 is saving the company millions of gallons of gas per year in North America.

The new centralized system allows us to deliver our products to market much more efficiently by mapping out the multiple destination points of our products so we can load more onto each truck.

The new system has helped save more than 7 million gallons of fuel through the third quarter of fiscal 2010 – a 16.7 percent reduction over fiscal 2009. Viewed in a different way, we are now transporting 26 percent more cases of product per gallon of fuel than we were before the new system was put in place.

A 'sea' change in shipping

When shipping products from our factories to our customers in Europe, we can reduce air emissions and transportation miles by shipping via sea freight rather than over land.

This is how 90 percent of the *Green Giant* corn, *Old El Paso* meals, *Nature Valley* cereal bars and *Wanchai Ferry* Chinese meals get from our facilities in Spain and France to customers in the United Kingdom. Our European sea freight shipping increased 20 percent in 2009, saving 2 million road miles (3.2 million km) per year. That translates into a savings of 392,000 gallons (or 1.8 million liters) of diesel fuel.

We reduced our road miles a further 250,000 miles in Europe by more efficiently consolidating loads. We continue to research ways of reducing containers and road miles and expect further improvements in 2010.

The new initiatives are part of General Mills' commitment to meet the greener transportation targets agreed to by members of Great Britain's Food and Drink Federation.

"We want to be the best and strive for continuous improvement in everything we do," says David Howorth, General Mills UK's supply chain director. "That includes our responsibility to bring a range of foods to consumers in a fashion that is environmentally responsible."



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"We want to be the best and strive for continuous improvement in everything we do. That includes our responsibility to bring a range of foods to consumers in a fashion that is environmentally responsible."

DAVID HOWORTH, GENERAL MILLS UK'S SUPPLY CHAIN DIRECTOR

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New 'green' distribution center will save costs, too

Construction began in 2009 on a new General Mills distribution center in Social Circle, Ga., that is expected to be one of the largest buildings ever constructed to meet environmentally friendly LEED standards.

LEED, which stands for "Leadership in Energy and Environmental Design," is an internationally recognized set of standards for environmentally sustainable construction.

The distribution center will be located just down the road from our plant in Covington, Ga., which will enable us to more efficiently ship our products to customers. The facility is expected to open in June 2010.



The building, which will be the size of 22 football fields (37 acres under one roof) and is more than a mile around the perimeter, will use high-efficiency lighting that shuts off when no one is in the area, be well-insulated to reduce heating and cooling costs, and be equipped with holding ponds to capture rainwater runoff.

As mentioned earlier, a second building now under construction for General Mills in Albuquerque, N.M., will also meet LEED specifications.

Think globally, source locally

General Mills continually looks for local sourcing opportunities to improve our overall performance including economics, the environment and our social impact on communities.

Our Häagen-Dazs facility in Arras, France, for example, sources all of its milk and cream from a supplier within 30 kilometers (18 miles) of the plant. All of our carton packaging comes from within 50 kilometers (30 miles) of the plant, and 100 percent of the Häagen-Dazs cups and minicups come from within 15 kilometers (9 miles).

Eighty percent of the sugar is sourced from a supplier that is within 5 kilometers (3 miles) of the plant.



Water

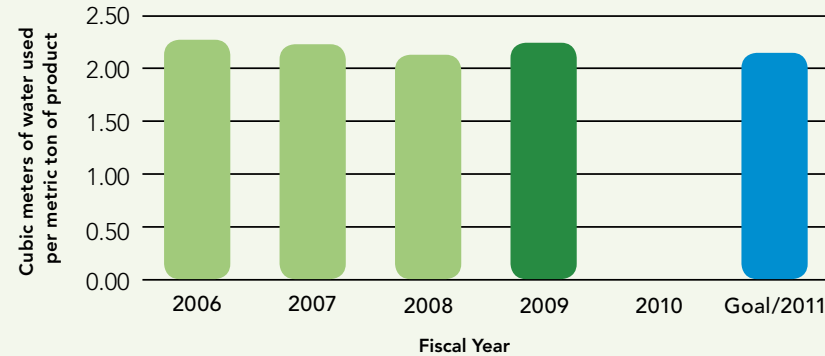
In fiscal 2009, our total water use rate was 2.2 cubic meters per metric ton of production – a 2.2 percent reduction compared with our 2006 baseline year.

If you exclude one plant that changed its manufacturing processes, the water usage rate reduction would have been 4.7 percent. We are currently working to address this issue. It should be noted that through the end of fiscal 2009, more than half of our North American facilities have already met their 2011 water reduction goal.

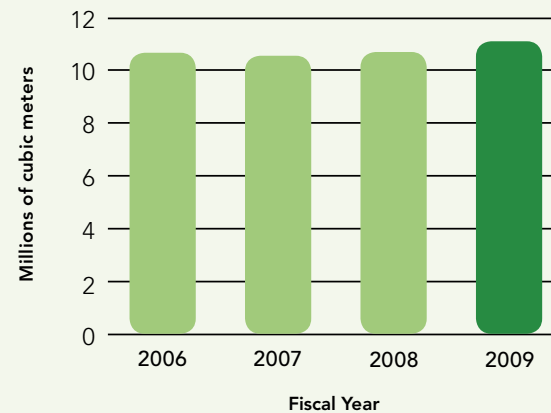


Water is critical to food manufacturing – it is used as an ingredient, a coolant, and to clean and sanitize manufacturing equipment. We track the usage of water at each facility to identify areas of high usage and target opportunities for water conservation.

WATER USAGE RATE



RAW WATER USED



Murfreesboro 'tees up' treated water for local golf course

Treated process wastewater from General Mills' Murfreesboro plant in Tennessee is now being used to water a nearby golf course – and will save more than \$300,000 in annual sewer fees in the process.

"This project has benefits on so many levels," says Craig Smith, a senior engineer at the plant. "Sustainability, community goodwill and cost savings. We all win."

In the summer of 2009, treated process wastewater from the plant – an estimated 84 million gallons per year – was diverted from the municipal sewer system to the Indian Hills Golf Course to water the grass.

Using wastewater for irrigation was a viable option because the plant had been pretreating its waste stream for

years, and the water was among the cleanest that was returned to the city.

Although the city of Murfreesboro had already been reusing its own treated wastewater stream to irrigate several new parks, sports fields and housing subdivisions, the General Mills-Indian Hills partnership marks the first time in Tennessee history that a private industry has offered a treated wastewater stream for public reuse.

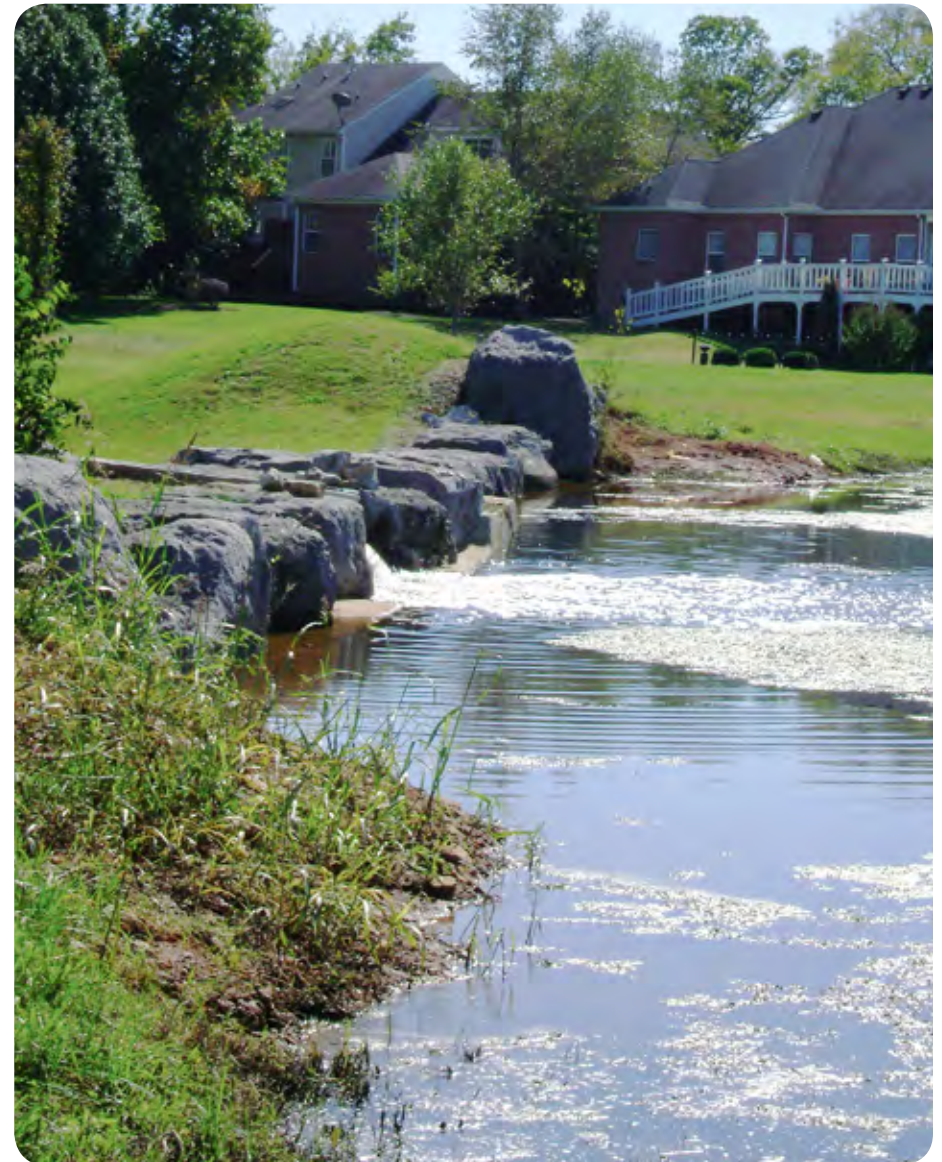
"Now, for the first time, we're actually doing something with wastewater that is a benefit, is value-added and shows a return," says Smith. "It's inspiring to give back to the community and meet so many other goals through one single project."

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"Now, for the first time, we're actually doing something with wastewater that is a benefit, is value-added and shows a return. It's inspiring to give back to the community and meet so many other goals through one single project."

CRAIG SMITH, SENIOR ENGINEER AT THE MURFREESBORO, TENN., PLANT

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Reducing our solid waste stream

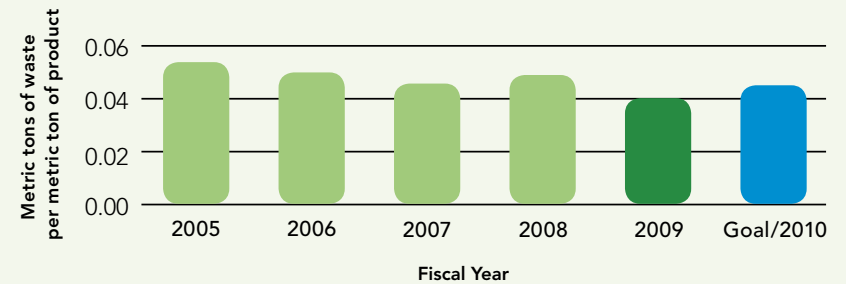
In fiscal 2009, 0.04 metric tons of waste was generated worldwide per metric ton of finished goods – a 24.5 percent reduction compared with our baseline year of 2005. When our wastes cannot be reused or recycled, we use methods and measures to minimize environmental impacts.

We use materials from renewable resources or recycled materials where feasible and reduce the amount of waste that is sent to landfills by finding ways to recycle it or use it for other purposes. Because our manufacturing uses food materials, we have many opportunities for using unwanted byproducts as animal feed. About 85 percent of all the waste generated at our manufacturing facilities is recycled or designated for some other beneficial use.

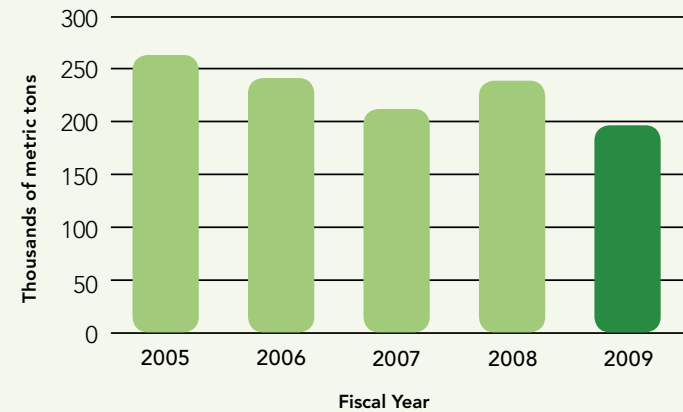
Materials used in packaging also present opportunities for recycling. Glass, metals, cardboard and plastics are collected for recycling. Many sites have also established recycling programs for paper, cans and reusable photocopier cartridges. Overall, the proportion of waste material discarded at the end of the food manufacturing process is very small.



SOLID WASTE GENERATION RATE



RAW SOLID WASTE GENERATED



Working to improve environmental performance of packaging

General Mills has joined the Consumer Goods Forum, and is working with others to develop a common framework for measuring the environmental impact of packaging with an aim toward reducing our environmental footprint.

The forum is made up of some of the largest consumer packaged goods companies and retailers in the world, including Unilever, Kellogg, Campbell, Kraft, Wal-Mart, Tesco, Safeway and Target.

The goal is to develop one standard so clear progress toward reducing a product's environmental impact can be measured. Several pilot projects – using real products from participating companies – are currently under way.



General Mills first began using recycled materials in its paperboard cartons in the 1930s. Today, we are among the largest users of post-consumer recycled paper packaging in the United States. Our cereal boxes are made from

100 percent recycled paperboard. And we continue to find ways to use recycled fiber to replace virgin fiber where it makes sense.

Warm Delights packaging more eco-friendly



Betty Crocker Warm Delights desserts now feature new bowls that contain 40 percent less plastic, perform better in the microwave and cost less to make. It's a win for the environment, for the consumer and for General Mills.

The former bowls were made entirely of polypropylene, which comes from petroleum, a nonrenewable resource. The new bowls contain 40 percent calcium carbonate, a natural material. Aside from a slightly less glossy finish, the bowls look the same.

"Calcium carbonate is safe, in abundant supply throughout the world, and does not impact the recyclability of the finished bowl," says Angie Brown, the General Mills packaging engineer who worked with one of our suppliers to develop the new packaging. "It's widely used in industries such as construction, pharmaceuticals and agriculture, but this is one of the first applications in retail food packaging."

The long-term supplier of this packaging participated in the company's "connected innovation" initiative, which is designed to scan the globe for good ideas and implement the best ones at General Mills.

Product line managers were pleased to discover that it's just as sturdy as the earlier bowl and performs slightly better in the microwave. The new bowls will reduce plastic use by 300,000 pounds per year and save the company nearly \$500,000 a year in packaging costs.



Working with farmers to enhance sustainable agriculture

Because agriculture accounts for such a large share of the food industry's total environmental footprint, General Mills has worked closely with farmers for generations to produce high-quality food while minimizing our impact on the environment.

Our *Green Giant* research facility has made several advances in conventional breeding and sustainable agricultural practices over decades:

- Back in 1940, the research facility published a report that detailed the benefits of crop rotation for producing greater yields and income for pea farmers.
- Five years later, another report determined the most effective time to apply insecticide to control pea aphids.
- Starting in 1980, it reported a series of measures and practices for reducing pesticide use across all crops. Integrated Pest Management (IPM) was born and adopted as a routine practice. Between 1980 and 2007, *Green Giant* sweet corn products have:
 - Cut the pounds of insecticides used by 80 percent.
 - Reduced the number of applications by 40 percent.
 - Trimmed the costs to control insects by 37 percent.



In addition, the *Green Giant* work to develop high-yielding conventional varieties of sweet corn has dramatically reduced the amount of land needed to produce the same amount of food. We estimate that our sweet corn varieties have doubled yields over the past 35 years.

So we've doubled the food produced on the same amount of land, using less water and less fertilizer. And we are also taking these best agricultural practices global to help feed a growing population that is becoming more affluent and demanding a better diet.

We have test plots around the world to transfer the best traits we have developed from decades of research in the original Valley of the Jolly Green Giant: Le Sueur, Minn.

But the *Green Giant* work did not end there. In 2007, its Agriculture Research department set new goals to:

- Reduce insecticide applications on sweet corn by 30 percent in three years. This goal was attained with the fall harvest in 2009.
- Reduce herbicide use by 5 percent on sweet corn in five years. This goal is within reach, with the challenge being to maintain the 5 percent reduction consistently over time and varying crop conditions.
- Reduce water use in broccoli acreage by 50 percent using drip irrigation technology. We now have a program in place to increase the amount of drip irrigation on grower land that will ultimately reduce our water use to our stated goal.
- Reduce land use by 10 percent through development of higher-yielding sweet corn. Progress continues in our conventional sweet corn breeding program, and we are closing in on this goal.

We're working closely with farmers in many other ways as well.

Working with growers to preserve ecologically sensitive areas

General Mills has pledged \$300,000 over three years to help The Nature Conservancy improve agricultural practices in the Root River watershed in the ecologically sensitive region of southeastern Minnesota.

The bluff country is home to some of the best trout streams in the Upper Midwest. And the unique geology of the area – which features many sink holes that lead directly to underground aquifers – requires special care to help ensure that surface water does not contaminate the ground water supply.

With General Mills' financial help, The Nature Conservancy is working with area farmers – including some who grow vegetables for *Green Giant* – to develop the best ways to mitigate fertilizer and pesticide runoff. (*Green Giant* is providing \$200,000

in support, and the General Mills Foundation is providing \$100,000.)

Among the strategies are digging trenches and reservoirs on farmers' land to filter nutrient-enriched farm runoff. After being collected in the reservoir, the runoff is filtered by native vegetation before the water is slowly released through "natural bioreactors," which are simply buried trenches loaded with woodchips. Bacteria on the woodchips remove nitrates (formed via the breakdown of fertilizers) from the runoff before it flows into the river.

The 81-mile-long Root River area is important for agriculture as well as tourism (a popular network of bike trails connects several towns in the area).

"We know from similar projects in other states that this will significantly

reduce nitrogen seepage and significantly enhance the stability of the river banks," says Richard Biske, Southeast Minnesota conservation coordinator for The Nature Conservancy in Minnesota. "It should improve the aquatic habitat. We should start seeing more fish and aquatic life."

Tom Rabaey, senior research scientist for *Green Giant*, is optimistic that growers will see the value and lend their support. "I grew up on a small farm in southwest Minnesota myself," Rabaey says. "For us, sustainability was about taking care of the place. That included the stream that ran through our property, the pastures, everything, because we knew we were making a living off it. I'm hopeful Root River Valley farmers will see it the same way."



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TOM RABAEY, SENIOR RESEARCH SCIENTIST, GREEN GIANT

Company provides 'seed money' for oat research

Food made from oats may be even healthier in the not-too-distant future, thanks to a \$318,000 General Mills grant to promote more public research on an important food crop that is increasingly being overlooked by researchers.



The grant to the U.S. Department of Agriculture is being used to fund the collaborative research of 13 scientists – 12 from the U.S. and one from Canada – who are working to develop ways to identify specific genes that determine oat traits such as nutritional quality and resistance to drought and pests.

The genome map will be shared in a public database so it can be used by oat breeders around the world to develop improved oat varieties that could be used in company products such as *Cheerios*.

The funding is important because research on oats has not kept pace with other food crops such as corn, soybeans, wheat and canola. Since the early 1980s, the number of oat research groups has dropped to 11 from 29. Likewise, the number of acres planted with oats in the U.S. has fallen to 2 million – from 14 million in 1988.

The research will shed more light on the genes that will make oats a more profitable crop for farmers – whether it's enhanced agronomic traits or an improved nutritional profile that will make oats more valuable on the commodities market.

"At some point in the future, we should all benefit from this research, including farmers, food companies and consumers," says Joe Lutz, a senior scientist with General Mills' agricultural research team in Le Sueur, Minn.



While General Mills has decades of expertise in more traditional agricultural practices, we have also gained considerable experience with organic farming through the acquisition of Cascadian Farm and Muir Glen in 2000.

Gene Kahn, the organic foods pioneer who founded both companies, is now the global sustainability officer for General Mills and is helping guide our sustainability initiatives.

General Mills, through its *Cascadian Farm* business, for example, is a founding member of the National Organic Standards Board that sets the standards for certified organic food production.



Organic farming is for the birds (and vice versa)

Certified organic farming may provide important habitats for American birds of prey.

In California's Central Valley, for example, you can pick out the tomato farms that grow for *Muir Glen* from miles away – they're the ones with kestrels soaring in circles overhead, working volunteer guard duty over the tomatoes.

Kestrels are small falcons that feed on many natural enemies of tomatoes. Most tomato farmers who grow for *Muir Glen* ring their fields with nesting boxes and raptor perches for kestrels and other birds of prey such as owls. Kestrels and the mere sight of an owl on the edge of a tomato field can scare off tomato-eating critters.

These birds play a role in helping *Muir Glen* produce organic canned tomatoes.

Muir Glen is just one of two organic vegetable brands in the Small Planet Foods family at General Mills. Its sister brand, *Cascadian Farm*, offers 24 varieties of frozen vegetables and vegetable blends, in addition to fruit, granola bars, breakfast cereals and other organic food.

Together they make up one of America's leading providers of organic foods.

Cascadian Farm talks and walks environmental stewardship with two novel promotional approaches.

If you listen to progressive rock radio in any of five top U.S. markets, you may have heard one of several green living tips during the summer of 2009. It's called an EnviroMinute, 30 seconds of practical environmental advice from *Cascadian Farm*.

Among the tips: Next time you wash your car, do it on the lawn instead of the driveway. It'll give your grass a drink, and the soil will act as a filter to break down the chemicals and reduce detergent runoff.

The campaign aired in Boston, Denver, Minneapolis-St. Paul, Portland and San Francisco. It was the first of two novel cause marketing initiatives undertaken by *Cascadian Farm* in 2009.

The second was a "Click to Give" initiative to support New York State Park trails. *Cascadian Farm* donated \$1 to New York State Parks for every supporter who visited a special page on the Park Web site.

"The efforts of *Cascadian Farm* are most welcome and appreciated," says New York State Parks Commissioner Carol Ash. "Trail hiking is one of the most popular attractions. As we tighten our belts in these tough economic times, I'm grateful for every dollar from our private partners to maintain New York State Park trails and help our visitors better enjoy their adventures."

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NEW YORK STATE PARKS COMMISSIONER CAROL ASH

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EnviroMinute commercial



Nature Valley, Ken Burns hook up to support national parks

Building on historical partnerships and its longtime support of outdoor activities, General Mills' *Nature Valley* brand co-sponsored "Feel Free: A National Parks Celebration in Central Park," in September 2009 in New York City.

Alison Kraus, Carole King, The Counting Crows, Jose Feliciano and others entertained the crowd, but the real headliners were video clips of Ken Burns' documentary, "The National Parks, America's Best Idea." The six-part narrative, tracing the 150-year history of America's national park system, premiered on the U.S. Public Broadcasting System the following week. The concert doubled as a promotion for the series and as a fundraiser for the National Parks Conservation Association (NPCA).

"We were glad to participate in an event that raised thousands of dollars to help protect our national parks for future generations," says Martin Abrams, marketing manager for the *Nature Valley* brand. "NPCA's mission is of great importance to us and our customer base. We expect to expand our relationship with them in the coming years."

In doing so, *Nature Valley* is building on a decade-long strategy to advocate for nature in its philanthropic activities as a way of strengthening the brand's relationship with active, outdoor-loving consumers.

It started in 1999 with a donation to The Nature Conservancy (TNC) and a commitment to promote TNC activities on *Nature Valley* packaging. TNC messaging appeared on more than 20 million boxes and 200 million individual granola bars over several years.

More recently, *Nature Valley* developed Save the Trails™ in partnership with the American Hiking Society and the Student Conservation Association. Since 2005, *Nature Valley* has donated over half a million dollars to help restore National Park trails damaged by storms, erosion and neglect.

"With this funding, more trails are seeing necessary improvements," Abrams says.

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MARTIN ABRAMS, MARKETING MANAGER
FOR THE NATURE VALLEY BRAND

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Glacier Point in Yosemite National Park

Setting new sustainability goals

As we look to improve the sustainability of our organization, we recognize that our existing environmental goals – which apply to our global manufacturing facilities – represent just a slice of our overall environmental footprint of our products. These sustainability goals don't capture the environmental initiatives and accomplishments generated within other areas of the company, such as transportation and packaging. Nor do they cover conservation efforts at many of our offices that are not tied to manufacturing facilities.

We are currently in the process of developing and extending our next set of sustainability goals and look forward to sharing them in the 2011 Corporate Social Responsibility report.



Emerging issues

As a co-developer of HACCP (Hazard Analysis and Critical Control Points) with NASA more than 30 years ago, our approach to food safety has always been science based. Today, HACCP is the global gold standard for ensuring product safety in food processing and manufacturing – and General Mills remains its staunchest advocate.

On food safety, we apply only the highest standards, accepting no shortcomings and advocating for the best possible safety systems and practices worldwide. Not all issues in our industry involve food safety, however. Some fall more in the realm of consumer preference, and we respond simply because it is what our consumers prefer.

In a world of rapidly changing consumer attitudes and evolving regulatory interests, we understand that consumer opinion matters. Increasingly, some of the issues in our industry are being addressed most directly in the court of public opinion. In some instances, we have taken steps to remove ingredients that are proven to be safe, because we knew some consumers would prefer products without those ingredients.

Removing MSG from Progresso – and sourcing milk from cows not treated with rBST for Yoplait

Earlier in this report, we explained our decision to remove monosodium glutamate (MSG) from *Progresso* soups. We also discussed the decision by *Yoplait* to source only milk from cows not treated with the synthetic hormone rBST (recombinant bovine somatotropin).

We continue to believe MSG is safe. We also agree that no significant difference has been shown between milk produced by cows treated with rBST and milk from cows not treated with rBST.

But in each case, we knew that some of our consumers would prefer soups without MSG and yogurts produced with milk from cows not treated with rBST. So we removed those ingredients.

We are also simplifying ingredients in our products – and simplifying our labels where possible. Simply ... cookies, new from *Pillsbury*, is one successful example.

BPA in packaging

Bisphenol-A (BPA) is a critical component of protective coatings widely used in metal food packaging. It has been used for decades to help maintain the safety, quality and nutritional value of canned foods. Most metal cans in the U.S. food industry use BPA in the can lining or can lid.

Scientific and governmental bodies worldwide have examined the science and concluded that the weight of evidence continues to support the safety of BPA, including recent comprehensive risk assessments in Japan and in the European Union.

Recently, the U.S. Food and Drug Administration announced another review of BPA. This review is being joined by Health Canada and the World Health Organization, and is expected to take up to 24 months.

Food safety regulators make clear that the safety of food canning applications remains paramount, and are not recommending to manufacturers any specific

changes or actions in can lining applications in the interim, including those using BPA.

General Mills continues to believe BPA is safe. Can coatings used by General Mills also comply fully with all applicable U.S. Food and Drug Administration requirements for safe use in food contact applications.

However, we know that some of our consumers would like us to pursue alternatives – and we are working with our can suppliers and can manufacturers to develop and test alternative linings that do not use BPA.

Viable alternatives have not yet been identified for all types of foods, including some of the packaging applications used by General Mills, but we are optimistic that safe and viable alternatives may be identified in time. For example, one alternative has proven safe and viable in our processing of tomatoes – and General Mills will transition to can linings that do not use BPA on our organic *Muir Glen* tomato products with the next tomato harvest.

With other alternatives currently in test, we are continuing to work on this issue. When viable alternatives prove safe and effective for other products, we would expect can suppliers and the food industry – in response to consumer interest – to convert to alternative coatings.

FDA and Cheerios

In May, 2009, the U.S. Food and Drug Administration contacted General Mills about the soluble fiber heart health claim on *Cheerios*.

This claim has been FDA-approved for more than 12 years, and the *Cheerios* “lower your cholesterol 4 percent in six weeks” message has been featured on the box for more than two years.

The science behind this claim is not in question.

The scientific body of evidence supporting FDA’s approval of the heart health claim, and the clinical study supporting the *Cheerios* cholesterol-lowering benefit is strong. In its Oct. 9, 2009, letter to General Mills, the FDA acknowledged that the Johnston study (the clinical study supporting the *Cheerios* claim) “appears to provide data that soluble fiber from whole oats can lower LDL cholesterol by an average of 4 percent in six weeks.”

We remain in dialog with the FDA on this question. To facilitate that discussion, we removed these statements from our *Cheerios* boxes – but we stand by the science behind both claims. (A more recent statement on *Cheerios* boxes claimed a “10 percent in one month” reduction in LDL cholesterol.)

For more information about the heart health claim on *Cheerios*, see FDA.gov and GeneralMills.com.

Palm oil sourcing

General Mills is committed to sourcing palm oil in a socially and environmentally responsible manner.

We have publicly expressed our concern about the role of palm oil expansion in deforestation of tropical rainforests. We are also concerned about the impact of deforestation on biodiversity and endangered species.

General Mills is a relatively minor user of palm oil. We do not purchase any palm oil directly, but we do purchase ingredients produced from palm oil from suppliers. Overall, we calculate that General Mills’ use of palm oil and palm derivatives is modest – approximately one-tenth of 1 percent of world exports.

Nevertheless, we acknowledge that responsible users of even small amounts of ingredients can impact such issues via principled purchasing practices. As purchasers, we must continue to engage and monitor our suppliers on this issue and many others. And we are.

General Mills does not source palm oil – either directly or indirectly – through any supplier or company from Sinar Mas.

General Mills is increasing our engagement with suppliers in discussions about palm oil production. While all of the company’s suppliers are already members and supporters of the Round Table for Sustainable Palm Oil (RSPO), General Mills is further reinforcing the principles of the RSPO by conducting its own review of the time-bound plans submitted by suppliers to the RSPO.

We are committed to working more closely with our suppliers to ensure that they source palm oil in an environmentally responsible manner.

Biotechnology and consumer choice

We have long held the view that biotechnology holds promise for its potential to deliver societal and environmental benefits. But we have also stated our view that the success of this technology depends ultimately on its ability to achieve broad consumer acceptance and support around the world.

The imperative for global agriculture is to support and feed an increasingly hungry world safely, while responsibly stewarding the world’s land, water and resources for future generations. There are inherent tensions in this challenge – but we continue to believe that this mission can be met.

We also continue to agree that the already approved applications of biotechnology are safe. The U.N. World Health Organization, the U.N. Food and Agriculture Organization, the U.S. Food and Drug Administration and Health Canada have uniformly and unanimously voiced the same view, determining that approved biotech crops are as safe and acceptable as their conventional counterparts.

We acknowledge that some consumers oppose biotechnology for ethical, religious or cultural reasons. As a consumer-focused company, we will continue to strive to offer those consumers a choice of products where possible, through identity preservation and organic production methods, and we will continue to comply with all labeling requirements in every market in which we operate.

Emerging issues

Declining wheat production

As a company that uses wheat in many important consumer foods globally, we are increasingly concerned about the declines in acreage committed to wheat production around the world.

We know that farmers produce what the market rewards. With the genetic improvement made to corn and soybeans in recent years, more farmers are choosing to plant these crops instead of wheat. This trend may actually accelerate with the expected development of drought-resistant corn and other crops, which could then be planted in arid regions where wheat is now grown.

For its part, the food industry has tended to oppose the introduction of new technologies in wheat. The industry view has been that, lacking broad consumer acceptance, the introduction of biotechnology in wheat, for example, would complicate the world's wheat supply, and undermine global wheat exports.

Faced with notable declines in global wheat acreage, it may be necessary for the food industry and General Mills to revisit that position. The agronomic benefits of improvements could prove extremely important for the future sustainability of wheat production. In addition, the development of new traits, such as resistance to drought, could become critical to meeting the future challenge of feeding a hungry world, particularly in light of the potential for climate change to disrupt production patterns.

Appendix: Company overview

Our brands are known around the world for quality, beginning with *Gold Medal* flour in 1880, which to this day remains the No. 1 selling retail flour in the United States. Several of our other brands also occupy the No. 1 or No. 2 market positions – from *Pillsbury* refrigerated dough to *Green Giant* frozen vegetables, and from *Cheerios* cereal to *Betty Crocker* dessert mixes.

We're the sixth largest food company in the world, and about half of our 30,000 employees work outside the United States. We market in more than 100 countries on six continents. In fiscal 2009, our global net sales were \$15.9 billion (including our proportionate share of joint venture net sales). We categorize these sales into four business segments: U.S. Retail, International, Bakeries & Foodservice, and Joint Ventures.

Every day around the world, food made by General Mills is eaten for breakfast, lunch and dinner – and as a snack sometime during the day or evening.

It's a bowl of *Cheerios* or a cup of *Yoplait* yogurt for breakfast in the United States. Or a bowl of *Fibre One* cereal in Canada or *Pillsbury* frozen pancakes in Mexico.

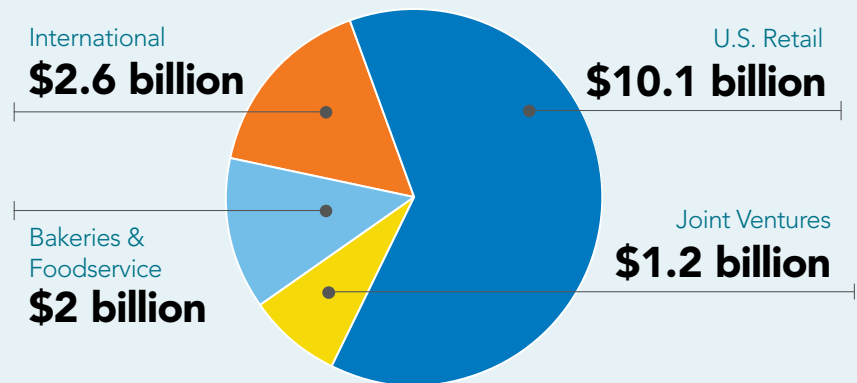
It's a sandwich with bread made from *Gold Medal* flour or a bowl of *Progresso* soup for lunch in the United States. Or *Wanchai Ferry* products in China or the United Kingdom. Or a *Nature Valley* granola bar eaten on the run in Argentina or in about 60 other countries.

It's *Hamburger Helper* with a side of corn or green beans from *Green Giant* for dinner in the United States. Or an *Old El Paso* Mexican meal in Australia, Germany or Japan. And in many countries, a *Pillsbury* roll could be part of any meal.

For an after-dinner treat, it could be a *Betty Crocker* cake or cookie in the United States. Or *Häagen-Dazs* ice cream in any number of countries, including Chile, Greece, Indonesia, Morocco and Russia.

For more information on our company, see our [Corporate Brochure](#) or visit GeneralMills.com.

GENERAL MILLS FISCAL 2009 GLOBAL NET SALES (USD) **\$15.9 BILLION**



Appendix: Company awards

100 Best Corporate Citizens

Corporate Responsibility magazine, 2010, 2009, 2008, 2007, 2006, 2005, 2004, 2003

World's Most Ethical Companies

The Ethisphere Institute, 2010, 2009, 2008

100 Best Companies to Work For

Fortune, 2010, 2009, 2008, 2006, 2005, 2004

World's Most Admired Companies

(formerly America's Most Admired Companies)
Fortune, 2010, 2009, 2008, 2007, 2006, 2005, 2004

100 Top Companies for Training

Training magazine, 2009, 2008, 2007, 2006, 2005, 2004

100 Best Companies to Work For

London Sunday Times (United Kingdom), 2009, 2008

Top 50 Companies for Diversity

DiversityInc, 2009, 2008, 2007, 2005, 2004

Crown Award for Responsible Advertising

Hallmark Channels and the Parents Television Council, 2009

Best Places to Work

(No. 1), Glassdoor.com, 2009, 2008

World's Most Reputable Companies

The Reputation Institute, Forbes, 2009, 2008

100 Top Greenest Big Companies in America

Newsweek magazine, 2009

Top 10 in Annual Reputation Quotient Survey

Harris Interactive, 2009, 2008, 2007, 2006, 2005, 2004, 2003, 2002

100 Best Companies for Working Mothers

Working Mother magazine, 2009 – 1996

40 Best Companies for Diversity

Black Enterprise magazine, 2009, 2008, 2007

Best Companies for Multicultural Women

Working Mother magazine, 2009, 2008, 2007, 2006, 2005, 2004

Best Places to Work for LGBT Equality

Human Rights Campaign, 2010, 2007, 2005

Best Employers for Healthy Lifestyles

National Business Group on Health, 2009, 2008, 2007, 2006

Top Companies for Executive Women

National Association for Female Executives, 2010, 2009, 2008, 2007, 2006, 2005, 2004

50 Best Companies for Latinas

Latina Style magazine, 2009, 2008, 2007, 2005, 2004, 2003, 2002, 2001

100 Best Places to Work in IT

Computerworld magazine, 2009, 2008, 2007, 2006, 2005, 2004, 2003, 2002

United Kingdom's 50 Best Workplaces

The Financial Times, 2010, 2009, 2008

American Business Ethics Award, (large company category)

Foundation for Financial Service Professionals, 2008

Start! Fit-Friendly Company

American Heart Association, 2009, 2008, 2007

Best Places to Launch a Career

BusinessWeek, 2009, 2008, 2007

Global Top Companies for Leaders

Fortune, 2009, 2007

United Way Summit Awards, United Way of America

2009, 2008, 2007, 2006, 2005, 2003, 2002

America's 100 Best Adoption-Friendly Workplaces

The Dave Thomas Foundation for Adoption, 2009, 2008

Alfred P. Sloan Award for Business Excellence in Workplace Flexibility

2009

Appendix: Workplace Safety and Environmental Protection policy

In the 1980s, General Mills first approved a comprehensive policy statement to provide a framework for our safety and environmental programs. This policy has evolved to reflect our businesses and the requirements that may affect them. This policy is published below.

Workplace Safety and Environmental Protection corporate 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.

Appendix: Supplier code of conduct

General Mills holds itself to high ethical standards and it expects the same from its suppliers and vendors (Suppliers).

Suppliers are expected to comply with all local and national laws, regulations, rules and requirements with respect to all products and services that they manufacture, distribute or otherwise provide to General Mills. If local or national law does not provide protections satisfactory to General Mills, we reserve the right to require Suppliers to meet higher standards. General Mills expects Suppliers will act ethically and in accordance with applicable laws in the following areas.

Food Safety. Food Supplier will supply food products or ingredients to General Mills that are safe for human consumption, pure, wholesome, unadulterated and in compliance with all applicable local and national laws.

Forced Labor. Supplier will not use forced or involuntary labor, whether bonded, prison, military, compulsory or indentured labor, including debt servitude.

Child Labor. Supplier will not employ child labor, consistent with the principles contained in the International Labour Organization's 1998 Declaration on Fundamental Principles and Rights at Work, in supplying products or services to General Mills.

Abuse of Labor. Supplier will not physically abuse employees.

Freedom of Association and Collective Bargaining. Supplier will respect the principles of freedom of association and collective bargaining.

Discrimination and Harassment. Supplier must not permit unlawful discrimination or harassment of its employees.

Wages and Benefits. Supplier will provide workers with pay and benefits as required by law, including compliance with minimum wage and overtime requirements and will pay employees in a timely fashion.

Work Hours and Overtime. Supplier will set work schedules and overtime policies consistent with local and national law. Suppliers will abide by maximum hour and workweek laws.

Health and Safety. Supplier will provide workers with a safe, clean and healthy work environment.

Environment. Supplier will comply with all applicable environmental laws.

Anti-Corruption. Supplier will comply with the United States Foreign Corrupt Practices Act and all applicable laws related to anticorruption and bribery.

Compliance. Supplier must demonstrate compliance with this Code of Conduct upon General Mills' request.

This Code of Conduct is based in part on the principles outlined in the International Labour Organization's 1998 Declaration on Fundamental Principles and Rights at Work. We expect all suppliers to develop and implement appropriate internal business processes to ensure compliance with this Code of Conduct.

General Mills utilizes independent third parties to assess Supplier compliance with this Code of Conduct. These assessments generally include confidential interviews with employees and on-site contract workers. Supplier agrees to permit such inspections and to make employees and contract workers available to third-party auditors and not to discriminate or retaliate against workers for their comments to the auditors.

If a Supplier fails to comply with any aspect of this Code of Conduct, it is expected to implement corrective actions. General Mills reserves the right to terminate any agreement with any Supplier that cannot demonstrate compliance with this Code of Conduct.

Appendix: Acknowledgments

This report was produced with the help of both internal and external contributors. Internal partners include the following groups: Applied Sustainability Team; Bell Institute of Health and Nutrition; Community Action; Corporate Communications; Diversity; Engineering; Government Relations; Grain; Health, Safety and Environment; Investor Relations; Law; Packaging; Quality Control; R&D; Supply Chain Operations; and Worldwide Sourcing.

We would also like to recognize the valuable input provided through our membership with Ceres, a coalition of investors, environmental organizations and other public interest groups that work with companies to advance their environmental and social performance.