



General Mills Sustainability National Grain & Feed



April, 2014

GENERAL MILLS

A photograph of a modern, multi-story office building with a glass facade. The building is reflected in a large, calm pool of water in the foreground. The sky is clear and blue. The overall scene is bright and professional.

- One of the world's largest food companies
- Products marketed in more than 100 countries on six continents
- 39,000 employees
- \$18 billion in fiscal 2013 net sales*

*Does not include \$1.3 billion of joint venture sales

My Farm



Food's Big Impact



40%
World's Land

70%
World's Water

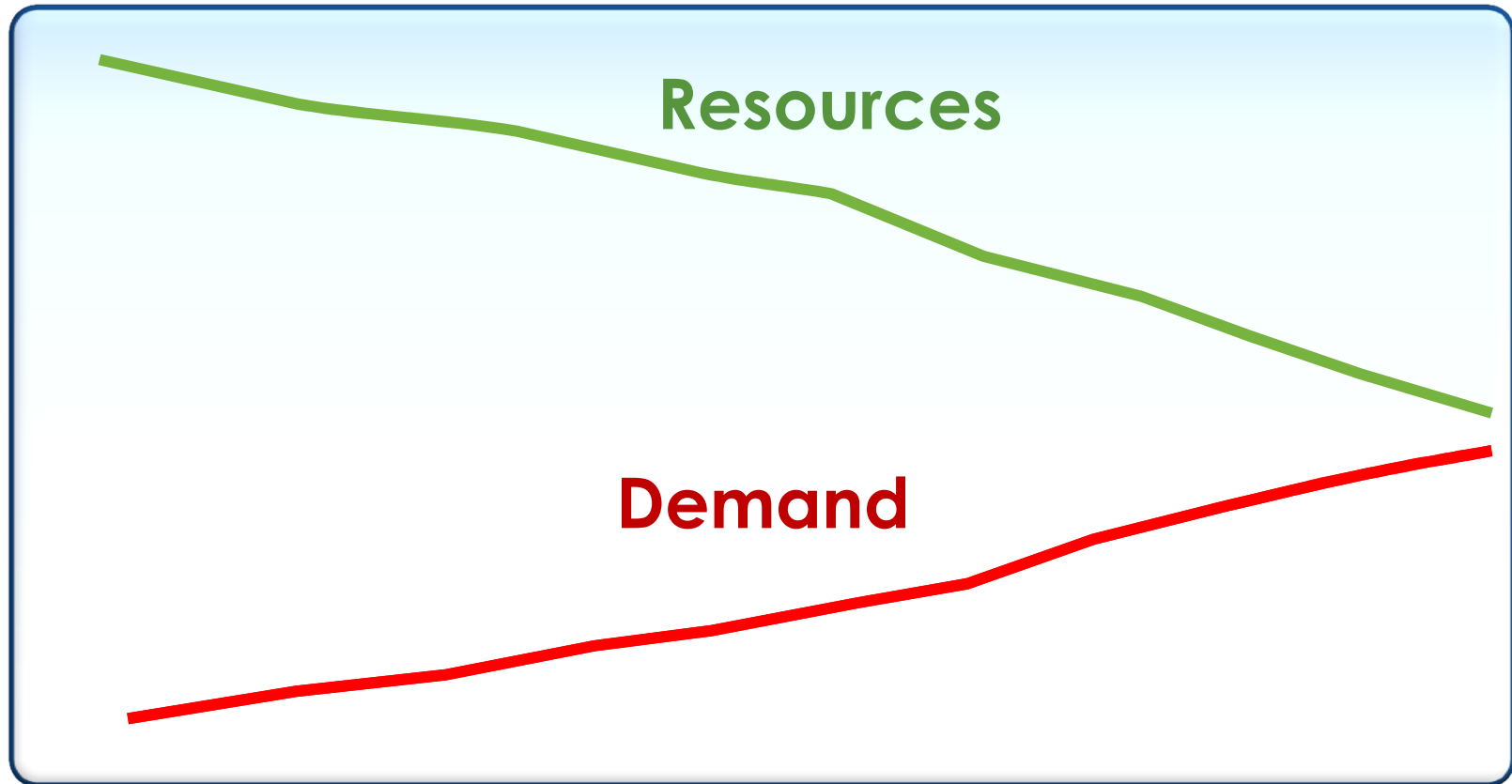


1/3
Greenhouse Gases



120 Billion Pounds
Food Waste

Crunch Ahead!



Our Mission: Nourishing Lives



HEALTH

Nourishment we provide



COMMUNITIES

People we serve



ENVIRONMENT

Planet we share



www.csr.genmills.co



Where We Started in 2006

Plant F12 Results v F15 Goals

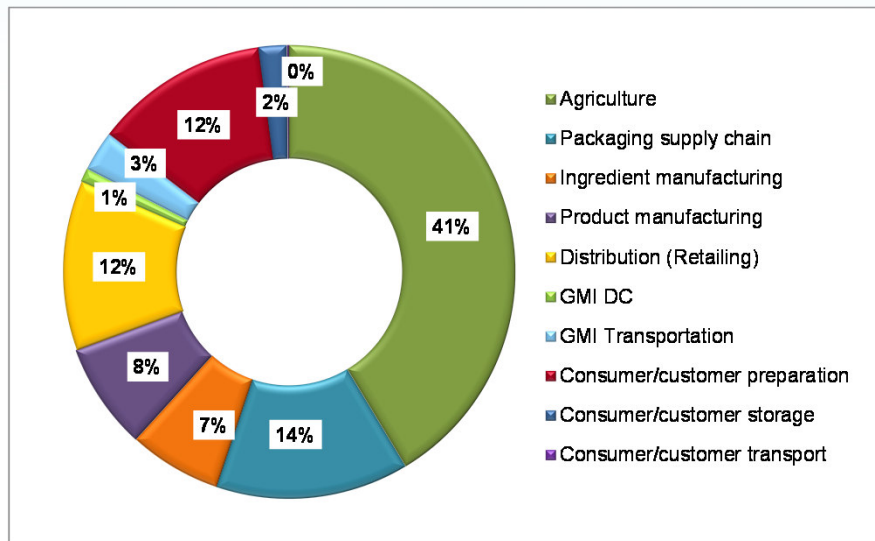
| | Waste (lbs waste/lbs produced) | Water (gallons/lbs produced) | Energy (Kwh/lbs produced) | Greenhouse Gas (m-Tons/lbs produced) | Packaging (% Improved) | Logistics (gallons/ton shipped) |
|---------------------|-----------------------------------|---------------------------------|------------------------------|---|---------------------------|------------------------------------|
| 2015 Goals | -50% | -20% | -20% | -20% | 40% | -35% |
| F12 Total Co | -40% | -10% | -10% | -11% | 52% | -17% |

- ✓ Extend Packaging Metric to 60% by 2015
- ✓ Volume deleverage -7% F12 v F10
- ✓ Energy team Big G

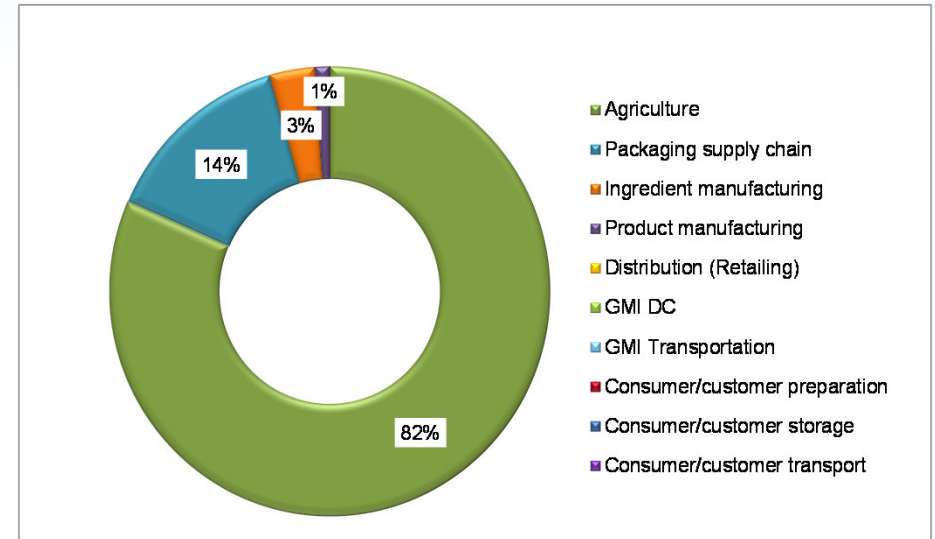


Why Sourcing Matters

GHG Emissions



Water Consumption



GMI is working on Sustainability programs across:

75% of our GHG footprint

99% of our water consumption



Sustainable Sourcing Strategies



10x20:

Sustainably Sourced
on 10 priority
categories by 2020

Responsible Sourcing:

Our supply chain is in
compliance with labor,
environmental, health
and safety, and anti-
corruption laws

Water Stewardship:

Reduce our direct
(plants) & indirect (raw
materials) use of water



By 2020, General Mills commits to sourcing 100% of its...



... **oats** from growing regions that demonstrate continuous improvement against industry-based environmental metrics.



... **cocoa** through origin-direct investment, which will improve the incomes of smallholder farmers and the quality of ingredients.



... **U.S. wheat** from growing regions that demonstrate continuous improvement against the Field-to-Market framework* or comparable environmental metrics.



... **vanilla** through origin direct investment, which will improve the incomes of smallholder farmers and the quality of ingredients.



... **dry milled corn** from growing regions that demonstrate continuous improvement against the Field-to-Market framework or comparable environmental metrics.



... **palm oil** from responsible and sustainable sources in 2015.



... **sugar cane** from responsible and sustainable sources.



... directly sourced **fluid milk** from producing regions that demonstrate continuous improvement as measured by the Dairy Sustainability Framework (U.S.) or other comparable environmental metrics (globally).



... **fiber packaging** from recycled material or from virgin wood fiber regions that are known to not contribute to deforestation. Any high-risk regions will be independently verified.



... **U.S. beet sugar** from growing regions that demonstrate continuous improvement against the Field-To-Market framework or comparable environmental metrics.

*The Field-to-Market framework studies the environmental impact of crop production in different regions.

SOURCE: GENERAL MILLS, INC. | FOODBUSINESSNEWS.NET



Top 10 Priority Categories

| <u>Category</u> | <u>Risk</u> | <u>Industry Roundtable</u> | <u>Current Actions</u> |
|--|--------------------------|----------------------------|---|
| Grain & Sugar Wheat Oats Corn Sugar Beets | Nitrogen Water | Field to Market | Wheat, Oat, Beet Regional Verification |
| Dairy | GHG Water Animal Care | DMI (U.S) SAI (Europe) | Producer Pilots in US & France |
| Palm Oil | Deforestation | RSPO | 100% RSPO Certified by 2015 |
| Cocoa/Vanilla | Child Labor | WCF & Europe Group | Direct Sourcing of Vanilla & Cocoa |
| Eggs & Meat | Animal Welfare | Multiple | 100% Cage-Free in Europe and 1MM U.S. |
| Fiber Packaging | Deforestation | CGF | Certified in US & Europe Complete ROW |



Definitions of Sustainability

Certification



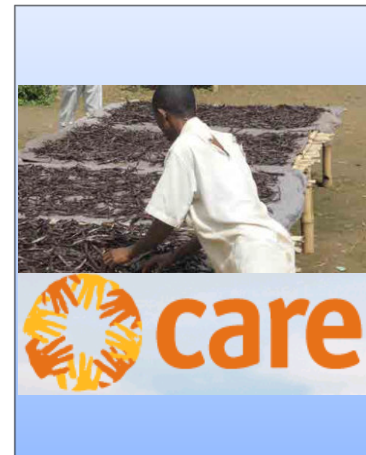
- Sugarcane
- Palm Oil

Continuous Improvement & Innovation



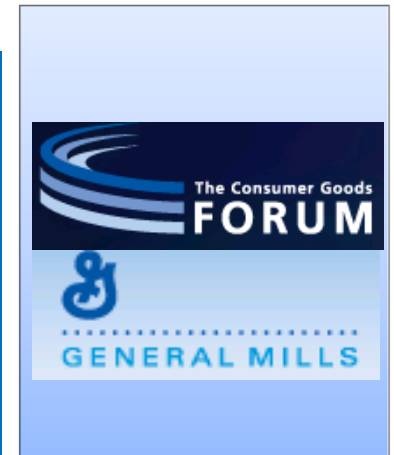
- Row Crops: oats, wheat, sugar beets, corn
- Dairy

Origin Direct Investment



- Vanilla
- Cocoa

Self Verification



- Fiber Packaging
- Animal welfare

GMI Producer Engagements

- Snake River (SE Idaho):
 - **Wheat:**
 - 50,000 acres, 6mm bushel, 2010-12 crops
 - Potatoes & Sugar Beets in 2013
 - Partner: Syngenta
- Western Canada: Manitoba & Saskatchewan:
 - Cereal grain: **Oats** & wheat
 - Oil: Canola
 - Pulses: Peas & Lentils
 - Partners: Pulse Canada, Canola Growers, POGA, Crop Life & Ducks Unlimited
- Red River Valley:
 - **Sugar Beets,**
 - Partners: RRVSGA & American Crystal Sugar
- N Plains:
 - **Wheat** & canola
 - Partners: ADM, CHS?, Syngenta
- Ohio:
 - **Wheat**, corn & soy
 - Mennel Milling, EDF, Syngenta & Farmers Edge
- Reed City Michigan:
 - **Fluid milk**
 - Michigan Milk Producers Association & DMI





What is Field to Market?

- **A collaborative stakeholder group**
 - Producers, agribusinesses, food and retail companies, conservation associations, universities, and NRCS
- **Identifying supply chain strategies to define, measure, and promote continuous improvement for agriculture**
 - Addressing the challenge of increasing demand and limited resources
- **Developing and piloting outcomes-based, science-based metrics and tools**
 - Fieldprint Calculator, a free, online tool to help growers analyze their operations and help the supply chain explain how food is produced
 - National Report on environmental and socioeconomic trends over time for U.S. commodity crops



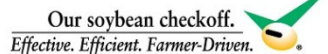
Field to Market



The Power of Field to Market

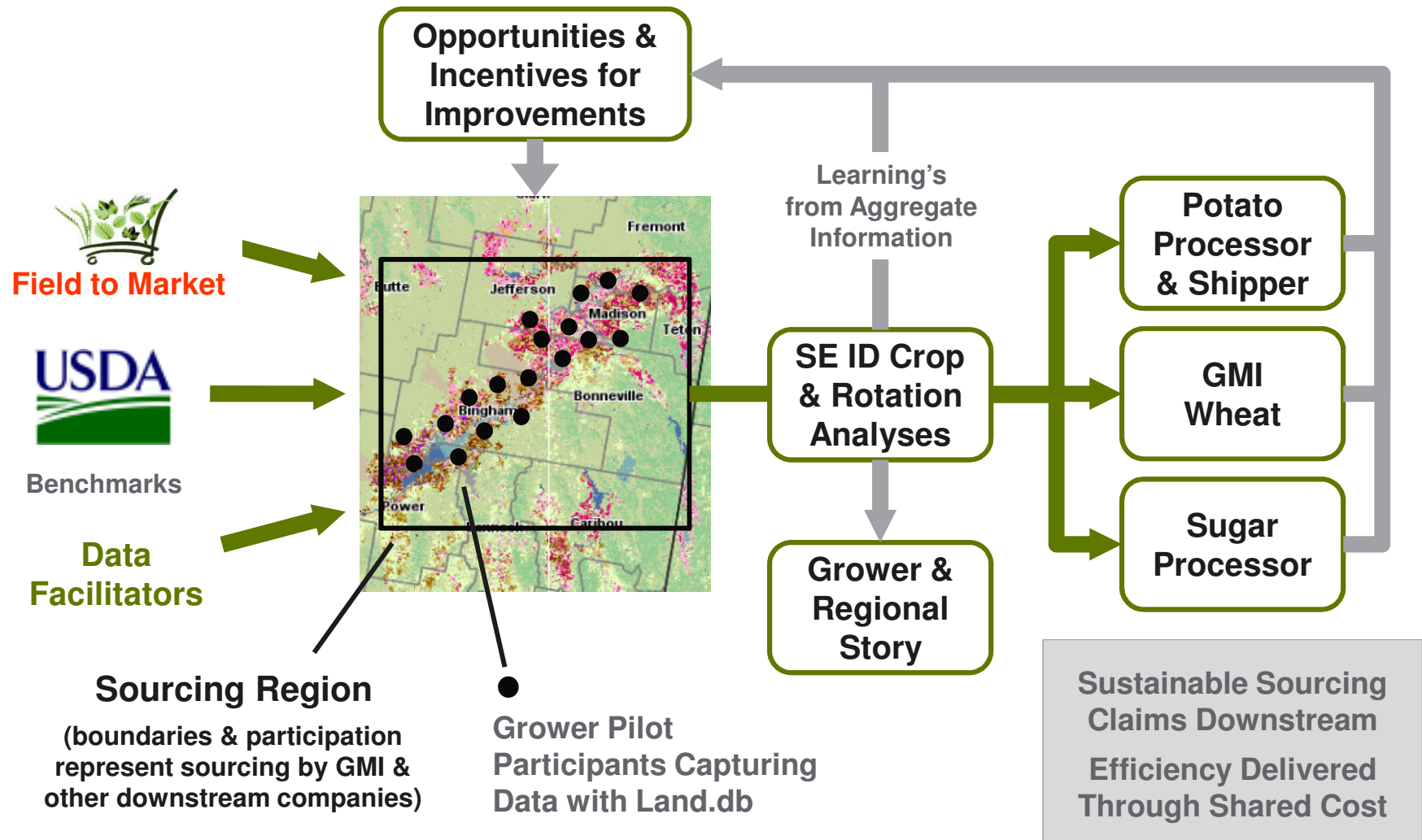


Bayer CropScience



Field to Market

Idaho Wheat Pilot: “Paving the Way” for Sustainable Ag



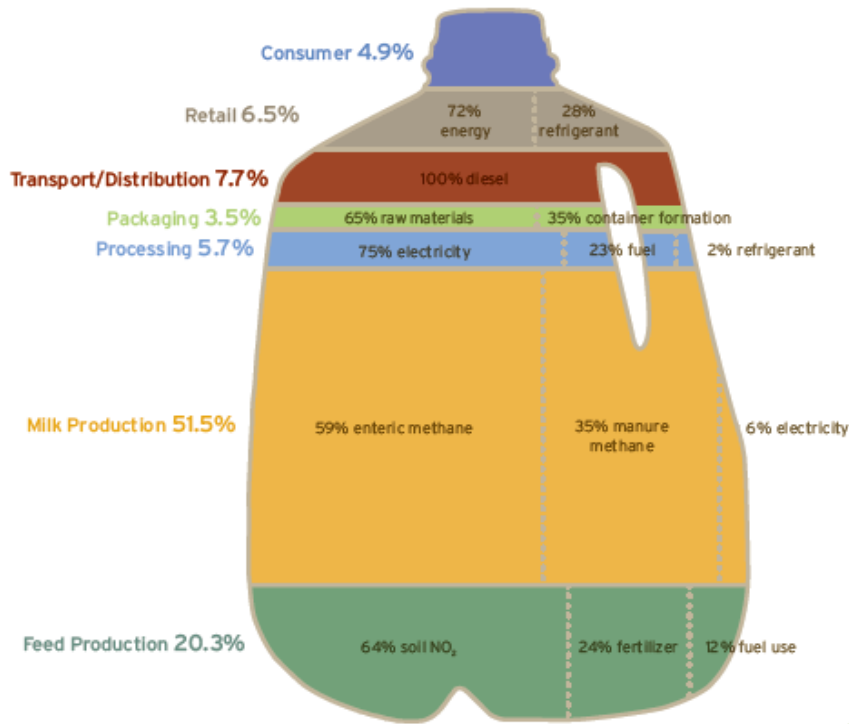
- Alliance Dairies
- Clauss Dairy Farms
- Fair Oaks Farms
- Fiscalini Farms
- Foster Brothers Farm
- Gar-Lin Dairy Farm
- Graywood Farm
- Haubenschild Farms Inc.
- Kooistra Farms
- Maddox Dairy
- MarBec Dairy
- Medeiros & Sons Dairy
- Mystic Valley Dairy
- Nobis Dairy
- Prairieland Dairy
- Rovey Dairy
- Simonson Dairy
- Spruce Haven Farm
- Stauffer Highway Dairy
- Werkhoven Dairy



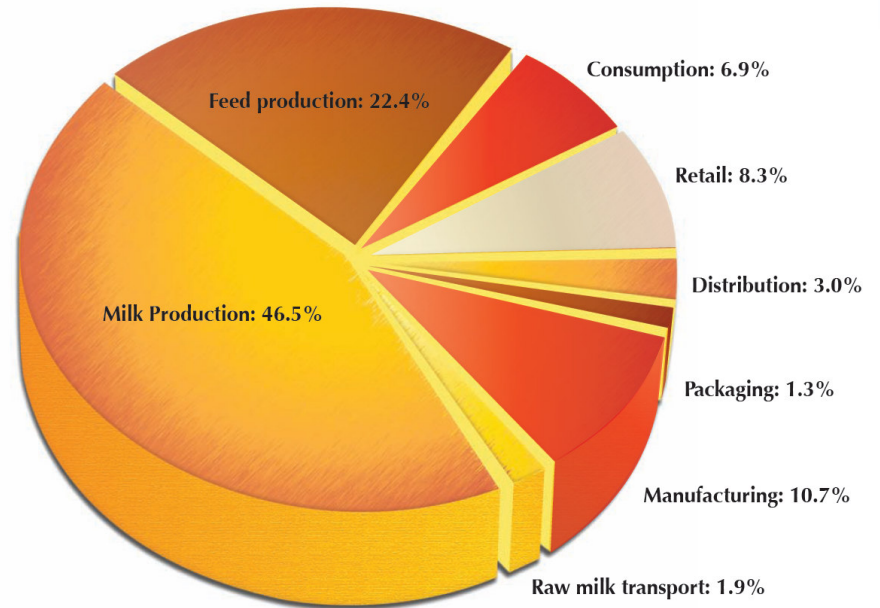
103 companies & 142 professionals in the Sustainability Council

The Farm Represents 72% of the Footprint

Footprint from Farm to Table ... *All in this Together*



Carbon footprint = 17.6 lbs. CO₂e per gallon of fluid milk consumed' (2.05 kg CO₂e/kg milk)



The carbon footprint of cheese = 8.3 kg CO₂e per kg of cheese



Farm Smart™: Innovation & Continuous Improvement

Farm Smart Metrics:

- GHG:
 - Feed produced
 - Feed ration
 - Manure management
 - Energy
- Energy
- Water

Farm Smart™

The following tools were developed specifically to help dairy producers use the farm indicators listed in the first draft of the *Stewardship and Sustainability Guide for U.S. Dairy* – producer handbook, published in March 2013.

This first draft of the producer's handbook to the Guide shows how to use the web-based Farm Smart™ to measure and track the dairy farm's performance in energy use, greenhouse gas (GHG) emissions and animal care. As the Guide, producer handbook and Farm Smart tool expand, you can always find updates at www.USDairy.com/SustainabilityGuideProducers.

• Section 1: environmental footprint

This section allows you to easily "add" a farm. Only enter data where applicable in this form's white spaces. Download this file and print more copies (see Resources) at www.USDairy.com/FarmSmart.

• Section 2: animal care

This section allows you to easily "add" a farm. Only enter data where applicable in this form's white spaces. Download this file and print more copies (see Resources) at www.USDairy.com/FarmSmart.

INNOVATION CENTER FOR U.S. DAIRY
HEALTHY PEOPLE • HEALTHY PRODUCTS • HEALTHY PLANET

Quick Start Checklist

Before using Farm Smart™ dramatically shorten your input time by using this checklist to gather farm data. All data entries should be annualized. The site allows you to easily "add" a farm. Only enter data where applicable in this form's white spaces. Download this file and print more copies (see Resources) at www.USDairy.com/FarmSmart.

| Feed Production | Total Pounds, Bushels, Tons (annual) | Total Acreage |
|----------------------------------|--|---------------|
| Pasture | lbs. | acres |
| Corn Grain | bushels | acres |
| Corn Silage | tons | acres |
| Soybean, raw or roasted | bushels | acres |
| Alfalfa Hay | tons | acres |
| Alfalfa Silage | | |
| Grass Hay | | |
| Grass Silage | | |
| All Other Feed | | |
| Herds | Head | |
| On-farm heifer calves < 2 mos. | | |
| Off-farm heifer calves < 2 mos. | | |
| On-farm heifers 2 mo. – 1st calf | | |
| Off-farm heifer 2 mo. – 1st calf | | |
| Lactating Cows | | |
| Dry Cows | | |
| Ration | Average Dry Matter Intake (DMI) for herd (lbs./cow/day) | |
| Composition of Ration | % of | |
| Soybean Meal | | |
| Wet DDGs | | |
| Dry DDGs | | |
| Pasture | | |
| Corn Grain | | |
| Corn Silage | | |
| Soybean, raw or roasted | | |
| Alfalfa Hay | | |
| Alfalfa Silage | | |
| Grass Hay | | |
| Grass Silage | | |

INNOVATION CENTER FOR U.S. DAIRY
HEALTHY PEOPLE • HEALTHY PRODUCTS • HEALTHY PLANET

Quick Start Instructions

Farm Smart™ allows you to track progress in stewardship and sustainability. It provides an estimate of your dairy operation's environmental footprint. To get started, go to www.USDairy.com/FarmSmart and register as a new account using your email address as your user name. Refer to the instructions below to identify the data needed to complete Farm Smart. Once you've gathered the information on the Quick Start Checklist, expect to spend 20 to 30 minutes completing the web-based tool. Farm Smart is password protected and remains confidential.

- Location of Dairy**
 - Where your dairy is located will influence its potential environmental footprint and is important to obtain an accurate assessment.
 - Hit the "+" button to add a new farm name. Enter State and County where your dairy is located.
 - Note: If your dairy farm crosses county lines or has operations in multiple locations, choose the location used for tax purposes.
- Feed Production**. For feeding your milking herd, check the box by all feeds annually grown on-farm.
 - Do NOT include crops grown for cash or sale — only include feed grown for dairy herd and replacements.
 - Record acres grown and total yield of each crop — include owned and rented ground.

Example: If you grow 250 acres of corn at 100 bushels/acre, record the total number of bushels harvested from those acres. 250 acres * 100 bushels/acre = 25,000 bushels total
- Herd Description**. Enter herd numbers (annual average) by age group. Include dairy animals raised on- and off- the dairy farm.
 - Number of heifers on-farm < 2 mos. and average weight (lbs.)
 - Number of heifers off-farm < 2 mos. and average weight (lbs.)
 - Number of heifers on-farm > 2 mos./average weight (lbs.)
 - Number of heifers off-farm > 2 mos./average weight (lbs.)
- Ration**. Producers feed many different production groups of cows. For this section, use an average ration fed to the milking herd.
 - Enter average daily dry matter intake for milk herd (lbs. of DMI / cow / day).
 - Enter % of each ingredient in the ration on a dry matter basis — those NOT listed fall into "all other feed"

performance with the help of Farm Smart. Free and confidential, Farm Smart is a valuable tool for dairy producers.

as essential to their business' and to ensure they are following the best animal care guidelines or



Thank You & Contacts

- Global Responsibility Report

http://www.generalmills.com/~media/Files/CSR/2013_global_respon_report.ashx

- 10 x 20 Press Release

http://www.generalmills.com/Home/ChannelG/NewsReleases/Library/2013/September/sourcing_10

- Steve.Peterson@genmills.com

