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Welcome to our 2009 Corporate Social Responsibility Report. It’s written for you, our stakeholders, including customers, consumers, suppliers, shareholders, employees and many others who are affected by or interested in our business.

Our mission at General Mills is "Nourishing Lives." To fulfill that mission, we believe we must do more than achieve financial success. We must also make substantial contributions to society and to the environment that sustains our lives. That commitment to integrate economic, social and environmental factors into a sustainable business strategy is at the core of who and what we are.

You can learn more about General Mills’ economic success in our 2008 Annual Report. But in these pages, we intend to provide an update on progress toward achieving our health, social and environmental goals.

You’ll find specific examples of our initiatives, as well as the metrics and criteria we use to measure our progress.

- In the health arena, for example, we detail how we’ve improved the health profile of products that comprise 40 percent of the company’s U.S. retail sales.

- On social commitments, we outline how our giving increased in fiscal year 2008, marking the eighth straight year that General Mills has contributed about 5 percent of our pretax profits to a wide variety of causes.

- In the environmental arena, we describe our strategy for reducing our environmental footprint and progress toward the five-year environmental goals to reduce our water, energy, greenhouse gas and solid waste rates.

Corporate social responsibility at General Mills begins with a strong commitment to an unbiased evaluation of our company’s societal and environmental impact.

We recognize that operating a sustainable business is not a destination, but a journey of continuous improvement characterized by transparency.

Our goal at General Mills is to become one of the most socially responsible consumer food companies in the world. During this past year, we have substantially strengthened our many teams that are responsible for the complex and varied aspects of corporate social responsibility. We believe we have made significant progress. At the same time, we recognize that we face many challenges in the future.

We hope this report will stimulate a dialog on what it means to be a socially responsible company. We invite and welcome your comments, questions and constructive criticism. Please join us in our efforts to create a more sustainable General Mills, and a more sustainable world.

Thank you.
Our mission is Nourishing Lives – to help make lives healthier, easier and richer. That mission expresses not only what we do, but why we do it.

Every day throughout the world our 29,500 employees work to:

**Make lives healthier** with foods such as *Yoplait* yogurt, *Progresso* soups, *Green Giant* vegetables and ready-to-eat whole grain cereals like *Cheerios*.

**Make lives easier** with more convenient foods such as *Bisquick* baking mix, *Nature Valley* granola bars, *Wanchai Ferry* dinner kits and *Chex Mix* snacks.

**Make lives richer** with foods that add to the experience of living – whether a *Betty Crocker* birthday cake, a dish of *Häagen-Dazs* ice cream, or a home-baked pie made with a *Pillsbury* pie crust.

Throughout our history, we’ve worked to be responsible corporate citizens – economically, socially and environmentally. And we’ve continued to be successful while minimizing our environmental footprint, all while serving the needs of consumers, customers, shareholders, employees and the communities in which we live and work.

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**Nourishing Lives™**

**Our Company**  
(fiscal 2008)

- Net sales: $14.9 billion*  
- Net earnings: $1.3 billion  
- Community contributions: $87 million  
- Employees worldwide: 29,500  
- Operates in more than: 100 countries  
- Markets more than: 100 consumer brands

* Includes $1.2 billion proportionate share of joint venture net sales.

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General Mills Corporate Social Responsibility
We are able to advance our corporate responsibility initiatives by measuring progress against specific goals.

**Nourishing Lives** – We recently set a new goal to improve the health profile of products that comprise 45 percent of our U.S. retail sales by 2010. We reached our earlier goal of a 40 percent improvement ahead of schedule, so we raised the bar.

**Nourishing Communities** – For nearly a decade, we have contributed about 5 percent of our pretax profits to charitable causes and reached that threshold once again in fiscal 2008. In fiscal 2008, we donated nearly $87 million to communities across the United States, Canada, Mexico, China and many other countries. That’s an increase of 6.1 percent over fiscal 2007 and a 17.5 percent increase over fiscal 2006. In addition, we continue to encourage our employees to volunteer in their communities. Our recent survey found that 82 percent of U.S. employees volunteer.

**Nourishing the Future** – We are making progress on our five-year goals to reduce our environmental impact. Our goals are to reduce:
- Water usage rate by 5 percent by 2011.
- Energy consumption rate by 15 percent by 2010.
- Greenhouse gas emission rate by 15 percent by 2010.
- Solid waste generation rate by 15 percent by 2010.

We’re achieving reductions on two of the four goals. We’ve reduced our water usage rate by 3 percent and solid waste generation rate by 6 percent.

But our energy consumption and greenhouse gas emission rates have remained about the same. We acknowledge that we have a lot of work ahead of us.

And we also recognize that measuring our environmental impact against these four goals is not a sufficient measure of all of our sustainability initiatives. So we are in the process of developing a more robust set of benchmarks to measure our progress.

Our goal is to become one of the most socially responsible consumer food companies in the world.

General Mills has donated 19 acres of wetlands to the city of Golden Valley, Minn., for its park system. The new General Mills Nature Preserve is adjacent to our world headquarters.

**Forbes, Ethisphere honor General Mills**

The way General Mills conducts business has been recognized by several independent organizations in 2008.

Forbes magazine ranked General Mills as the fourth most respected company in the United States – and the 11th most respected company in the world.

The company was also named as one of the “World’s Most Ethical Companies” by the Ethisphere Institute, a New York-based ethics think tank.

“These companies consistently demonstrate that doing business the right way – ethically – can have a sustainable, positive impact on their performance and brand,” said Stephen Martin, editor-in-chief of Ethisphere magazine.
Raising the bar on healthy products

Over the past four years, we have improved the health profile of products that comprise 40 percent of the company’s U.S. retail sales – well ahead of our 2010 target. The new goal – as defined by our internal health metric – is a 45 percent improvement by 2010.

Since fiscal 2005, 358 different General Mills products have had their nutrition profile improved. Some products – such as Yoplait Go-GURT – have been reformulated twice: once by fortifying the yogurt with vitamins A and D; and a second time by reducing the fat content 25 percent.

Health metric standards

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

- Reducing the calories, fat, saturated fat, trans fat, sugar or sodium content by 10 percent.
- Increasing beneficial nutrients, including vitamins, minerals and fiber, by 10 percent.
- Formulating products to include at least a half serving of whole grain, fruit, vegetables or low or nonfat dairy.
- Or by meeting the FDA guidelines for a product to be considered “healthy.”

Each time we touch a product – whether it’s new or existing – the health metric motivates us to think about what big or small steps can be made.”

– Dr. Susan Crockett, leader of the General Mills Bell Institute of Health and Nutrition

*U.S. retail products
Encouraging healthy eating

General Mills continually makes health improvements to a variety of products. In 2008, for example, the amount of sugar in several kids’ cereals, including Frosted Cheerios, Honey Nut Chex, Boo Berry, Franken Berry, Chocolate Lucky Charms and Double Chocolate Cookie Crisp, was reduced by 10 percent.

In keeping with the company’s 2007 pledge to not advertise foods containing more than 12 grams of sugar per serving on programming targeted to children, all of our Big G kids’ cereals now meet that requirement.

General Mills keeps a running total of the specific ways products have been improved since our health metric was introduced in fiscal 2005.

Of the products improved to achieve the 40 percent threshold:

- 25 percent of the gains came with the addition of whole grain.
- 14 percent came through the addition of vitamins A and D.
- 13 percent came by reducing trans fat.
- 10 percent came by reducing fat.
- 9 percent came through reducing sodium.
- 8 percent came by reducing sugar.

**Nutritional Profile Improvements**

Fiscal 2005-2008

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- 14 percent came through the addition of vitamins A and D.
- 13 percent came by reducing trans fat.
- 10 percent came by reducing fat.
- 9 percent came through reducing sodium.
- 8 percent came by reducing sugar.

**More vitamin D in Total**

*Total* was the first breakfast cereal to contain 100 percent of the U.S. government’s minimum daily adult requirement for eight vitamins.

Since its debut in 1961, *Total* has continued to add more healthy nutrients – most recently boosting the level of vitamin D to 25 percent of the minimum daily adult requirement from 10 percent.

Vitamin D helps the body absorb calcium, which is important for maintaining good bone health. Recent studies have shown that many children and adults don’t get enough vitamin D.

*Total* now has the most calcium and vitamin D of any leading cereal.

**Boosting dietary fiber consumption**

Responding to studies that have shown that just one in 10 U.S. consumers eat enough fiber, General Mills now has more than 30 *Fiber One* branded products – everything from yogurt to pancakes.

Although current guidelines recommend 25 grams of fiber per day (based on a 2,000 calorie diet), most people in the United States struggle to consume even half that amount. *Fiber One* Chewy bars, however, contain 9 grams of fiber each – 35 percent of the recommended Daily Value.
Boosting cereal nutrition

Fortifying kids’ cereal with calcium and vitamin D

To better educate consumers, the company has been calling attention to health improvements it has made to kids’ cereals. In the summer of 2008, an informational campaign was initiated to highlight that 26 General Mills cereals are fortified with calcium and vitamin D. The campaign also included the phrase, “Good source of calcium and vitamin D” on cereal boxes.

Although the company began fortifying kids’ cereals with vitamin D in 2005 (calcium has been added since the 1990s), this fact was never called out to consumers. Data show that just 25 percent of children in the United States receive recommended levels of calcium and vitamin D. Emerging research suggests that in addition to bone health, having adequate vitamin D in your diet may play a role in risk reduction for other chronic diseases.

Serving up whole grain

General Mills became the first major food company to fully embrace whole grains when it announced in September 2004 that all of its Big G cereals would be made with whole grain ingredients.

That announcement had no effect on longtime whole grain cereals such as Wheaties, Cheerios, Total and Wheat Chex. Wheaties debuted in 1924, Cheerios (originally Cheeri Oats) in 1941 and Total in 1961.

But it did require that many of our cereals such as Trix and Golden Grahams be reformulated. General Mills is now the single largest producer of whole grain foods in the United States, and continues to bring whole grains to people around the globe through our Cereal Partners Worldwide joint venture.

Every day, cereals from General Mills and Cereal Partners Worldwide deliver nearly 60 million servings of whole grain around the world.

General Mills cereals at the top in consumer magazine survey

Three Big G cereals – Cheerios, Kix and Honey Nut Cheerios – captured three of the top four spots in a leading consumer magazine ranking of “very good cereals.” Big G cereals also dominated the magazine’s ranking of “good” cereals, earning seven of the top 10 spots.

The magazine assigned each cereal a “nutrition score,” which reflects a balance of beneficial nutrients such as fiber and calcium, and ingredients that should be limited such as sodium and fat.

All General Mills Big G kids’ cereals now contain 12 grams or less of sugar per serving, and all of them contain whole grains.
Improving product health profile

Reducing fat and salt

The company reduced trans fat levels in several of its products in 2008. For example, across seven different Grands! biscuit products, trans fat content was reduced by 10 percent or more.

The sodium content was also reduced in many areas. The sodium in Bisquick Heart Smart mix, for example, was reduced to 340 mg per serving from 430 mg.

Adding more low-calorie products

The company has also significantly increased the number of lower-calorie products. Through fiscal 2008:

- More than 500 U.S. Retail products have 100 calories or less per serving.
- More than 650 U.S. Retail products have 130 calories or less per serving.

Rice Chex – first mainstream gluten-free cereal

Another way General Mills changed the profile of its products is by providing more foods for people with special medical conditions.

In April 2008, Rice Chex became the first mainstream gluten-free cereal in the United States. The product, launched in partnership with the Celiac Disease Foundation, helps fill a need for the estimated 3 million people in the United States who suffer from gluten intolerance, or celiac disease. The announcement was embraced by people with gluten intolerance.

“..." wrote one mother. “We were so thrilled to learn that finally a mainstream product, Rice Chex, is now gluten-free. It is such a relief for my daughter, who is wheat gluten intolerant, to be able to again have more diversity in her choices. It opens up the whole world of breakfast choice and snack recipe options with the simple removal of this one ingredient. We are so very thankful to you and will anxiously watch for other mainstream products that you choose to make accessible to the masses of consumers with these many allergies and intolerances. Thank you, thank you, thank you!!”

Gluten-free Rice Chex was created by removing barley malt extract, which contains gluten, and replacing it with molasses, which doesn’t. The taste and texture have remained the same.

General Mills is exploring the development of more gluten-free products.
Promoting weight-loss solutions

The company has invested in developing better ways to realistically market weight-loss products to consumers. Since 2005, General Mills has been working to craft weight-loss messages that resonate with consumers – often tapping experts such as Gary Foster, director of the Center for Obesity Research and Education at Temple University.

Foster’s advice, which was shared at a companywide Weight Management Expo to gain insights in how to better help people lose weight, was to position products “as a solution to a problematic time or eating episode” such as late-night snacking.

An advertisement for Yoplait Light, for example, features a woman describing how she lost weight while eating apple turnovers, Boston cream pies and key lime pies – all among the 28 flavors of Yoplait Light with 110 calories or less.

Innovation and integrated marketing

The catalyst for developing successful healthy products has been an increased focus on innovation and a more refined approach to marketing healthy food.

Last September, Consumer Goods Technology magazine cited General Mills as one of its “most innovative companies” and highlighted the development of Progresso Light soup, Progresso Reduced Sodium soup and the Fiber One franchise as examples of innovation.

Progresso Light has 80 calories or less per serving, and Progresso Reduced Sodium soup has between 40 and 50 percent less sodium than traditional soups. Building on the 2007 debut of Progresso Light, Progresso launched nine new light soups and one reduced sodium soup in 2008.

Progresso: A labor of love

For senior research scientist Heidi Teoh, developing a low-calorie Progresso soup was a labor of love.

“I had a lot of personal passion for this project because three years ago I was 310 pounds,” said Teoh, who has since lost 140 pounds by eating right and exercising regularly.

Because she used to run a catering business and her husband is a chef, Teoh focused on how people on a diet would react to the new soup rather than zeroing in on what ingredients to trim.

“People eat with their eyes and nose, so to begin with we really wanted a soup that was visually pleasing – not one that looked like the person eating it was on a diet,” says Teoh. “But it also had to taste and smell great.”

“We’re all really pleased that Progresso Light has been so successful. It was just the right thing to do – it’s right for the consumer, and it’s right for the brand. I truly love my job. It’s just so rewarding.”
In addition to Yoplait Light, many other General Mills products have successfully integrated weight-loss and healthy eating messaging into their marketing initiatives.

The Cheerios Challenge campaign is designed to help people lower their bad cholesterol. A study has shown that eating two 1½ servings of Cheerios cereal every day for six weeks reduced bad cholesterol about 4 percent as part of a diet low in saturated fat and cholesterol.

When people sign up online for the Cheerios Challenge, they receive a weekly e-mail that contains coupons for Cheerios and more information about how to lower cholesterol. The e-mail also contains a link to the General Mills-funded Eat Better America Web site. Culinary experts and dietitians “healthify” recipes sent in by readers.

New healthful yogurt varieties

The company has added new varieties of YoPlus yogurt, which contains probiotic cultures and fiber to naturally regulate digestive health. Blackberry Pomegranate flavor debuted in 2008, and the groundwork was laid for the Blueberry Acai flavor. (The acai berry is from South America.)

Ellie Krieger, a registered dietitian and celebrity chef, has been promoting the health benefits of eating fruits, vegetables and probiotic yogurts such as YoPlus, which has 3 grams of fiber per serving and is fortified with vitamins A and D.
Encouraging vegetable consumption

Green Giant, the largest provider of branded canned and frozen vegetables in the United States with a growing presence in Europe and South America, continues to unveil innovations that encourage more people to eat vegetables.

In the summer of 2008, Green Giant introduced Valley Fresh Steamers, which has a new package that makes heating and steaming vegetables easier. The new packages have vents that automatically appear at the top of the stand-up bags as the vegetables are heated in a microwave. Studies have shown that frozen vegetables are just as nutritious as fresh.

The new vegetables also contain low-fat natural sauces. The hope is that the convenience and health benefits of steamed vegetables – coupled with sauce that many consumers prefer – will reverse the trend of declining vegetable consumption in the United States.

Research has shown that just 12 percent of Americans eat the recommended level of at least five servings of fruits and vegetables per day.

Valley Fresh Steamers is just the latest in a long line of innovative vegetable products Green Giant has introduced over the years.

The brand received a string of awards in 2008 for the quality of its products, including a “grocery product of the year” award in the United Kingdom for its canned sweet corn and a packaging award in France for its asparagus. It was also recognized by the French Institute of Cereal for its outstanding agricultural practices.

Bringing freshness to life

A new national television advertising campaign directs viewers to the Green Giant Web site that features video interviews with several General Mills employees who work at the Green Giant home in Le Sueur, Minn., a small town about 45 minutes south of Minneapolis in the Minnesota River Valley.

Laurie Highland, a General Mills logistics manager who grew up in Le Sueur, talks about the quality of the vegetables and the importance of the facility to the surrounding community.

“Both my grandpa and my dad grew corn for the Giant,” she says, adding that once when the fields were too wet for their tractor, they hitched a wagon to a team of horses and picked the corn by hand.

“Growing up in that town and growing up with the vegetables so close around me, it really made me appreciate the freshness. … All the folks there really care about the products and the quality. When I think Green Giant vegetables, I think quality. I know it’s fresh. I know it’s good for my family.”
For the Wheaties brand, the athletic competition in Beijing provided another venue for Wheaties to promote its “Breakfast of Champions” message.

U.S. decathlon winner Bryan Clay and gymnast Nastia Liukin were featured on the Wheaties box. Clay won the decathlon by one of the largest margins ever, earning the title, “World’s Greatest Athlete.” Clay is the fourth decathlon gold medalist, including Bruce Jenner, to grace the Wheaties box.

Liukin, a four-time world and U.S. national champion, captured five medals in Beijing as she became only the third U.S. female gymnast in history to win the individual all-around competition. All three all-around gold medalists, including American icon Mary Lou Retton, are part of the Wheaties family.

The connection between athletes and Wheaties represents more than promotion. A 2007 study by the General Mills Bell Institute of Health and Nutrition showed that a bowl of 100 percent whole wheat flake cereal and nonfat milk is at least as effective as sports drinks in boosting post-exercise muscle recovery. The benefits are linked to the protein and carbohydrates in the cereal and milk.

A dream comes true

For U.S. decathlon winner Bryan Clay, winning the international gold medal in Beijing was a dream come true. But appearing on the Wheaties box wasn’t far behind.

“I don’t know which one is better: winning the gold medal or being on the Wheaties box,” said Clay, shortly after the Wheaties selection was announced. “It’s been a lifelong dream. This is definitely the icing on the cake.”

Clay joins a long list of athletic luminaries to star for Wheaties. Baseball great Lou Gehrig was the first athlete to be featured on a Wheaties box, appearing on the package back in 1934. Champion pole vaulter Bob Richards was the first athlete to appear on the front of Wheaties packaging in 1958.
Researching health and nutrition

Many of the health improvements throughout General Mills are driven by a team of research scientists and registered dietitians at the Bell Institute of Health and Nutrition (BIHN), which was formed in 1999 to help develop food products and nutrition information for the many brands in the company.

The BIHN sponsors studies on a variety of health-related topics. One study published in the American Journal of Clinical Nutrition in January 2008 found that a whole grain diet can lower one risk factor for heart disease (C-reactive protein) as much as popular statin drugs, in addition to lowering other risk factors, including excess abdominal fat.

Another study, published in the journal Nutrition Research in November 2008, showed that children who eat cereal for breakfast may have an advantage when it comes to getting the essential daily nutrients their bodies need. The study was based on dietary data collected from more than 2,000 girls over a 10-year period from childhood through adolescence.

“\textit{This is the first clinical study to prove that a diet rich in whole grains can lead to weight loss and reduce the risk of several chronic diseases.}”

– co-author Penny Kris-Etherton, distinguished professor of nutritional sciences at Penn State University

“This research strongly suggests that there’s a link between well-rounded childhood nutrition and eating a bowl of cereal regularly for breakfast.”

– Co-author Ronald E. Kleinman, a doctor in the Department of Pediatrics at Massachusetts General Hospital in Boston
Bringing nutrition research to consumers

The way researchers from the Bell Institute of Health and Nutrition (BIHN) work with others throughout General Mills is clearly visible in a series of video vignettes on the Eat Better America Web site, which was developed by General Mills to provide guidance on how to “healthify” recipes sent in by readers.

The video segments describe how researchers from the BIHN collaborate with chefs and food editors from the Betty Crocker Kitchens to develop recipes that taste good and are good for you.

A recent article on the Eat Better America Web site, for example, featured a recipe for “healthified creamed corn” that has 76 percent less fat and 84 percent more vitamin C than traditional creamed corn dishes. The trick is to swap out the butter, milk and cream cheese for Parmesan cheese, fat-free half and half and 1/3-less-fat cream cheese.

The monthly Eat Better America e-newsletter now has 1.3 million subscribers. Each issue features five recipes, often family favorites, that have been “healthified” by a team of General Mills nutritionists and culinary experts.

Qué Rica Vida expands its reach

General Mills provides tips and guidance on healthy nutrition to the growing Spanish-speaking population in the United States, many of whom are new to the country.

The company’s Qué Rica Vida magazine (and Web site) – published entirely in Spanish – is distributed quarterly to homes, stores and community venues. In 2009, an additional condensed version will reach 600,000 households as a newspaper insert.

The initiative also includes a grass-roots program that is offering nutrition lessons to thousands of Latinas at community centers through a program called Mente Sana en Cuerpo Sano (Healthy Mind, Healthy Body). The classes initially will be available in Chicago, Houston, Los Angeles and northern California.

Qué Rica Vida has also tapped Karla Martínez, co-host of Univision’s “Wake up America” morning TV show, to do a series of 30-second segments offering cooking and nutrition tips. Qué Rica Vida means “what a rich and wonderful life” in Spanish.
The company has partnered with many different groups to promote improved nutrition.

In October 2008, General Mills joined several other food companies and retailers in adopting a common front-of-pack labeling symbol that provides a quick method of helping consumers identify more nutritious choices across food categories.

The new “Smart Choices” program, which includes calories per serving and servings per container, was developed by industry, academia, health and consumer organizations, retailers, and government partnerships to create a unified, simple and transparent front-of-pack labeling system.

The goal is to streamline and simplify the proliferation of nutrition symbols on packaging. Smart Choices symbols are scheduled to begin appearing on qualifying packaging beginning in late 2009.

The Keystone Center, a group known for using a science-based approach to reach public policy recommendations, facilitated this initiative.

Breakfast = School Success

In the fall of 2008, General Mills developed a fact-based information kit that U.S. school foodservice directors can use to encourage their school administrators to add or expand breakfast in their school meal programs. The General Mills initiative is called “Breakfast = School Success.”

Several studies have shown that kids who eat breakfast perform better in school, have improved nutrient intakes, and have healthier body weights. Today, about 10 million children eat breakfast at school on any given day – about a third of the 30 million students who eat school lunch regularly.

The information kit is designed to give school foodservice directors the tools they need to expand their breakfast programs.
Partnering with government, schools and industry

Expanded children’s advertising guidelines

General Mills advertises only products that contain less than 175 calories per labeled serving to children. These products must also either meet the U.S. Food and Drug Administration’s “healthy” criteria per labeled serving, or contain one-half serving of USDA recommended foods such as whole grains, fruits, vegetables or low-fat dairy.

To ensure a thorough understanding of these guidelines, General Mills marketers are required each year to complete an online quiz to demonstrate their knowledge of the guidelines. They must also sign an agreement that they will comply with the guidelines.

In 2008, these marketing guidelines were expanded to include a section on electronic communications that covers employee blogging, interactive chatting and similar communications.

The company, along with Cereal Partners Worldwide (a joint venture with Nestlé), has also agreed to abide by a set of similar marketing guidelines for the European Union and Canada.

Promoting USDA’s MyPyramid guidelines

General Mills, along with several other companies, is working with the U.S. federal government to do more to promote the USDA’s “MyPyramid” dietary guidelines and incorporate relevant nutrition information into several General Mills communication channels.

The following are among the specific ways General Mills has agreed to promote healthy eating and lifestyles:

• A one-page mailer containing General Mills and MyPyramid information on healthy eating was e-mailed in the fall of 2008 to more than 3 million consumers.

• Information about the MyPyramid dietary guidelines has been incorporated into Mente Sana en Cuerpo Sano (“Healthy Mind, Healthy Body”), a series of 10 classes in 14 communities being developed by General Mills to teach more than 100,000 Latina women about nutrition.

• A new recipe Web site, EatBetterEarly.com, is being developed that will feature foods eligible under the government-run Women, Infants and Children (WIC) program. The site is designed to be used by WIC educators and WIC moms. The recipes, created by the Betty Crocker Kitchens, will be in both English and Spanish, and will also include MyPyramid information.

Promoting USDA's MyPyramid guidelines
Ensuring food safety and defense

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

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

The company works hard to prevent problems before they occur, and maintains stringent internal standards and requirements to ensure safety across all processes and operations under the broad scope of food defense. The company continually reviews its processes and procedures.

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

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

General Mills adopts and applies the same high safety and quality standards everywhere we do business.

General Mills is also working to build a safer global food system. In the fall of 2008, the company was instrumental in creating the Global Initiative for Food Systems Leadership (GIFSL), a public-private partnership with the University of Minnesota, the Rockefeller Foundation 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. It recently helped bring together 19 senior Chinese food safety officials from industry, government and academia who spent two weeks in Europe and North America touring food facilities and visiting with international policy experts. A second session is planned for China in 2009 and an introductory session is being planned in a large developing country.

The company is also active in industry organizations such as the Institute of Food Technologists (IFT), a nonprofit scientific society of 22,000 members working in the food science and food technology arenas. IFT is a frequent contributor to public policy discussions about food safety.

Sheri Schellhaass, vice president of Research and Development for General Mills, is the IFT president for the 2008-09 term.

Our members love General Mills labeling. We consider General Mills one of the industry leaders in food allergy education. The company embraced the food allergy issue because it was the right thing to do.”

– Anne Munoz-Furlong Founder, Food Allergy and Anaphylaxis Network
Emerging issues

Biotechnology and consumer choice

While biotechnology continues to hold promise for its potential to deliver societal and environmental benefits, the ultimate success of this technology will depend on its ability to achieve broad consumer acceptance and support around the world.

To win that acceptance, we believe biotechnology must move beyond production agriculture to deliver tangible societal benefits that consumers truly value. And that may well include the development of biotech crops that are resistant to drought – a trait that could become increasingly important in feeding a growing world where climate change could disrupt agricultural production.

General Mills accepts the rulings of global food safety and regulatory authorities, and we note 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 determined that approved biotech crops are as safe and acceptable as their conventional counterparts.

Nevertheless, we acknowledge that some people have concerns about biotechnology for ethical, religious and cultural reasons. As a consumer products company, one of our core principles is to support consumer choice. We strive to continue to offer consumers choices of products through identity preservation systems and organic production methods, where possible.

Supporting responsible palm oil sourcing

General Mills uses relatively small amounts of palm oil and does not purchase any palm oil directly. However, we do purchase ingredients produced from processed palm oil procured from suppliers.

We share the concerns about deforestation caused by palm oil production, and the resulting effect on climate change and biodiversity.

To support the goals and efforts of the Roundtable for Sustainable Palm Oil (RSPO), General Mills has pledged to restrict our purchases of palm products to suppliers that are members of the RSPO. Although our use of palm oil is relatively small, we plan to continue to support the mission of the RSPO by maintaining this restriction and requirement in our purchasing agreements with suppliers.
Emerging issues

Alternative energy and biofuels

General Mills is an advocate for energy conservation and for a national policy to develop and support sustainable, alternative sources of energy.

We also believe it would be preferable if the principal input for biofuels was something other than a major world food crop.

To be clear, we do not believe that alternative fuels are the major factor driving the price of corn in world markets today. There are many other factors, including world demand and weather. However, the U.S. Department of Agriculture estimates that about 32 percent of the U.S. corn crop was used for making ethanol in 2008.

We believe that global demand for food crops will only increase in the future, and that using more food crops to produce biofuels would only add to the pressure on world food prices. In a world where millions of people suffer from hunger, we believe that valuable food sources should not be used for fuel.

We are encouraged by the prospect of using nonfood inputs as sources of biomass, and fully support research to advance “next generation” cellulosic sources, such as waste wood, corn stalks or switchgrass.

As a user of energy, General Mills is focused on being as efficient as we can be. That’s good for the planet, and good for our business. In the area of alternative fuels, however, we continue to believe it would be best if the principal input of any sustainable, new alternative fuel source was something other than a major world food crop.

Oat hulls as fuel

General Mills will soon begin providing truckloads of oat hulls to help fuel what is being described as the first biomass facility in the United States to burn nothing but renewable materials.

Koda Energy, a partnership between the Shakopee Mdewakanton Sioux Community and Rahr Malting Co., is in the final testing phase of its $55 million energy-producing facility, which is located about 15 miles southwest of Minneapolis.

The plant, which has the capacity to generate 26 gross megawatts of electricity, (enough to supply about 17,000 homes in the upper Midwest) is expected to be fully operational in the spring of 2009. Oat hulls from General Mills plants in Fridley and Minneapolis that produce oat flour will supply about a third of the fuel for Koda Energy, with another third coming from Rahr malting byproducts and the remaining third from natural wood.

In the future, Koda Energy hopes to burn prairie grasses planted on 400 acres of tribal land. The Shakopee Tribe has been working with University of Minnesota ecologist David Tilman, a world-renowned expert on the subject of converting prairie grasses into renewable biofuels.
General Mills continued to contribute about 5 percent of its pretax profits to a wide variety of causes in fiscal 2008.

In fiscal 2008, General Mills contributed nearly $87 million – up about 6.1 percent from fiscal 2007 and up 17.5 percent from fiscal 2006. The company’s efforts to help build strong communities are categorized into three broad areas.

- **Brand philanthropy and corporate contributions.** This represents the largest share – $47.9 million in fiscal 2008 – of our giving, and includes contributions from well-known, cause-marketing programs such as our flagship Box Tops for Education program, which supports K-8 schools in the United States.

- **Foundation grants.** This describes the $21 million in fiscal 2008 that was allocated by the General Mills Foundation to support youth nutrition and fitness, social services, education, and arts and culture. Among the funded initiatives is Champions for Healthy Kids, a program to distribute 50 grants each year to support community-based organizations to promote healthy, active lifestyles in children.

- **Product donations.** This refers to the $18 million in products that the company has donated to Feeding America (formerly America’s Second Harvest), a network of food shelves in the United States.

The company has contributed about 5 percent of its pretax profits continuously since 2000 and stepped up its giving to food shelves as the economy deteriorated. In December 2008, for example, the Foundation contributed an additional $100,000 to the Greater Twin Cities United Way to help stock food shelves.

At its annual “Report to the Community,” Ellen Goldberg Luger, executive director of the General Mills Foundation, said the Foundation hopes to continue its solid support of community activities in fiscal 2009 as the global economic recession deepens.

A helping culture born from past tragedy

General Mills traces its commitment to the communities it serves to the long-term good that arose from a fatal explosion more than 125 years ago at the Washburn Crosby Company flour mill in Minneapolis, a predecessor to General Mills.

Owner Cadwallader Washburn established a fund to help the families left behind, invested to create safer working conditions, and funded an endowment for an orphanage to serve children “without question or distinction to age, sex, race, color or religion.”

Known today as the Washburn Center for Children, it is a place for children with social, emotional and behavioral challenges.
Expanding brand philanthropy

In 2008, General Mills expanded many of its industry-leading, cause-marketing initiatives that represent more than half of the company’s philanthropic contributions. And it used new tools to help make these programs more successful.

Support for brand philanthropy and corporate contributions increased nearly 17 percent in fiscal 2008 over fiscal 2007.

Expanding Box Tops for Education

The Barnes & Noble online Reading Room is the latest addition to the 12-year-old Box Tops for Education program that has raised more than $250 million, allowing K-8 schools in the United States to buy items such as playground equipment, computers and books.

Schools can earn up to $60,000 per year by participating in all three Box Tops programs:

- Clipping Box Top labels (worth 10 cents each) on select General Mills brands (as well as from other licensed partners) and sending them in to be redeemed through their Box Tops coordinator.
- Shopping at the Box Tops Marketplace, where shoppers can earn a donation (typically between 1 and 6 percent) for shopping at any of about 70 online stores such as the Apple Store, Staples, Lands’ End and Target.
- Shopping at The Reading Room, where online shoppers at Barnes & Noble earn up to 6 percent for their schools when they buy a book.

While the program is well-known in schools, General Mills continues to promote Box Tops to parents and our retail customers. General Mills worked with one large grocery retailer to develop in-store displays to help draw more attention to the program. Box Tops is not marketed to children.

Box Tops on ‘Extreme Makeover’

In March 2008, the Box Tops for Education program was featured prominently on ABC television’s “Extreme Makeover: Home Edition” that chronicled the rebuilding of a home owned by a West Virginia couple who were very involved with their children’s school. While the Extreme Makeover program focused on rebuilding the couple’s home, the community helped raise money for their children’s school by clipping Box Tops.

The result of such promotional efforts is more money for more K-8 schools. In just the last year, Box Tops earned $39 million for the 62,000 schools that participate in the program – significantly more than the program earned in earlier years.
Expanding brand philanthropy

Betty Crocker and Make-A-Wish

*Betty Crocker* has teamed up with the Make-A-Wish Foundation by donating $1 for every photo of a holiday baking moment – up to a maximum of $50,000 – that is uploaded to several social networking Web sites, including the *Betty Crocker* Facebook and MySpace pages.

The *Betty Crocker* Make-A-Wish initiative ran from Dec. 1 to Dec. 25, and plans are in the works for developing a deeper relationship in 2009. The cause-marketing campaign is another way that General Mills aligns its brands with worthy causes – to do well by doing good.

“We chose to partner with the Make-A-Wish Foundation because we felt its mission was right in line with what the *Betty Crocker* brand has always been about: creating special moments with children and families,” says Jae Chong, a promotions marketing planner for General Mills.

Spoonfuls of Stories

Box Tops for Education isn’t the only major General Mills program to benefit education.

Through the Spoonfuls of Stories program, over the past six years, Cheerios has distributed more than 30 million high-quality children’s books inside boxes of Cheerios cereal and has contributed more than $2.5 million to First Book, a national organization that provides new books to children in need.

In January 2008, Cheerios also announced the first winner of its Children’s Book Author Contest. “The Great Dog Wash,” written by Shellie Braeuner of Nashville, Tenn., was selected from more than 1,000 entries and will begin appearing in Cheerios boxes in the spring of 2009.

Braeuner, who holds a Masters in Education degree and has worked as a child/adolescent counselor in the past, won a $5,000 cash prize and a publishing deal from Simon & Schuster Children’s Publishing. The contest for unpublished authors will continue in 2009.

Cheerios also contributed $50,000 to support the National Ambassador for Young People’s Literature position created by the Library of Congress and the Children’s Book Council.
General Mills stepped up its support for breast cancer research and awareness for the second year in a row in 2008 with its broad “Pink Together” campaign. Several company brands participate, including Cheerios, Nature Valley, Progresso and Yoplait.

The company pledged $2 million to Susan G. Komen for the Cure, plus $1 for every “connection” made on the Pink Together Web site during October 2008 (up to a maximum of $25,000). A connection is made whenever someone posts a story, adds a comment, or leaves a virtual flower for someone else in a show of support for those touched by breast cancer.

General Mills is one of the largest consumer packaged goods supporters of Susan G. Komen for the Cure, a leading funder of breast cancer research and awareness programs.

Yoplait Save Lids to Save Lives

In addition to General Mills’ companywide Pink Together initiative, our Yoplait brand’s Save Lids to Save Lives program celebrated its 10th anniversary in 2008 in supporting Komen. During that time, Yoplait contributed more than $22 million to Komen, and has pledged to continue to serve as the National Presenting Sponsor of the Komen Race for the Cure Series through 2011. Races are held around the United States to raise money for Komen.

When you add contributions from Save Lids to Save Lives and Pink Together, General Mills has contributed more than $26 million to support Komen and its mission to fund breast cancer awareness and research.

This figure does not include other company initiatives to support people and families who have been affected by breast cancer:

- More than $249,000 was raised in 2008 via the 18th annual Especially for You Race Against Breast Cancer in Cedar Rapids, Iowa. General Mills co-founded the event, which attracted more than 10,000 participants.
- A team from the company’s New Albany, Ind., plant handed out Yoplait yogurt to the 10,000 people who participated in the Susan G. Komen Run for the Cure in Louisville, Ky., in October.
- The Zeta Tau Alpha sorority from about 40 universities participated in the Yoplait Save Lids to Save Lives Lid Collection Challenge. The friendly competition pits one college against a rival to see which can collect the most lids, with proceeds going to breast cancer research. The Georgia Institute of Technology has been the winner for two years running.

Supporting breast cancer research

Five breast cancer survivors who posted stories at the General Mills-sponsored PinkTogether.com Web site were chosen as Pink Together survivor ambassadors. Their images appear on an assortment of General Mills packages and in-store displays.
Two new cause-marketing programs leverage General Mills’ long-standing relationship with Feeding America, formerly known as America’s Second Harvest.

Home is Calling

The Pillsbury “Home is Calling” promotion calls for the brand to deliver up to 250,000 pounds of food to Feeding America’s network of food banks each time a link to the Home is Calling ad is forwarded from Pillsbury.com.

The advertising campaign, launched shortly before the Thanksgiving and Christmas holidays in 2008, was designed to generate a longing for home, whether a student away at college or a young girl dreaming of dinner.

Pound for Pound Challenge

The concept behind the “Pound for Pound Challenge” is simple: For every pound you lose, General Mills will donate 10 cents to Feeding America – enough to deliver one pound of groceries to a local food bank.

The initiative is being promoted on NBC Television’s “The Biggest Loser,” ensuring broad awareness of the challenge. In the first few days after Pound for Pound was launched, more than 60,000 people had signed up to lose weight.

General Mills has pledged to donate a maximum of $500,000 to Feeding America via its online weight-loss pledge program, but the exact amount won’t be known until this phase of the contest ends in May 2009. (The company has guaranteed a minimum donation of $100,000.)

A second part of the initiative calls for the company to donate an additional 10 cents to Feeding America for every Pound for Pound seal that is redeemed on specially marked packages of General Mills products. Among the many products included in this promotion are Yoplait Light, Cheerios, Honey Nut Cheerios, MultiGrain Cheerios, Fiber One cereal and bars, and Green Giant Valley Fresh Steamers vegetables.

The company hopes to donate up to $275,000 via this phase of the initiative, although the exact amount won’t be tallied until the program ends in December 2009. This is in addition to our significant food donations.

A long-standing partnership

General Mills’ relationship with Feeding America (formerly America’s Second Harvest) dates back more than a quarter of a century.

“Twenty-five years ago, General Mills was the first company to support our network,” says Vicki B. Escarra, Feeding America’s president and CEO. “Today, Feeding America continues to count them as one of our closest partners.”

Escarra traveled to General Mills in December 2008 to debut the Pound for Pound Challenge and to thank the company for its continuing support.

“The Pound for Pound Challenge is helping us get more food on the tables of families who are struggling during these troubling economic times,” she said.
Reaching out to multicultural consumers

While General Mills has long reached out to African-American and Latino communities in a variety of ways, the company has worked to deepen those relationships.

**Feeding Dreams in African-American communities**

In 2008, the company began its first corporate African-American retail campaign. The intent of *Feeding Dreams* is to honor “unsung heroes” in African-American communities for their dedication and service, whether directing a church choir or coaching a youth sports team. Five General Mills brands – Honey Nut Cheerios, Yoplait, Bisquick, Grands! and Hamburger Helper – are supporting this initiative.

One winner per month was named in each of three cities – Birmingham, Ala., Charlotte, N.C., and Memphis, Tenn. – and awarded a $500 Visa check card, $1,000 to donate to their favorite charity and a variety of General Mills products.

The program was created with input from the Black Champions Network employee group, one of several General Mills employee councils created to foster inclusion.

**Project Sueño**

A second major multicultural program – *Project Sueño* – also incorporates the dream concept, but with a slightly different meaning. Sueño means “dream” in Spanish. The centerpiece of the initiative to promote *Honey Nut Cheerios* is a sweepstakes to win a breakfast with Juan Soler, a 41-year-old Argentine-Mexican telenovela (soap opera) star. It is the company’s first integrated Hispanic promotion.

Campaigns like this one and others led Joe Uva, CEO of Univision Communications to praise General Mills for its continuing work to remain relevant to Latino consumers. Univision is the top Spanish language media company in the United States.

“Based on the work I’ve seen and how several of your brands have done, I’d say you’re well on your way to reaching this audience,” Uva told a group of General Mills marketers in August 2008.

**Long-standing ties to African-American communities**

In January 2009, General Mills hosted the 19th annual Martin Luther King Jr. Holiday Breakfast, featuring retired U.S. General Colin L. Powell as the keynote speaker – on the day before Barack Obama was sworn in as president of the United States.

The General Mills Foundation and UNCF (the United Negro College Fund) began hosting the holiday breakfast in 1991, and it has become a Twin Cities tradition.

General Mills began its support of UNCF in 1953.
General Mills lent assistance to help small businesses remain competitive and to small towns in need of aid to improve their communities.

**Merchandising Makeover: Pillsbury Baking Edition**

A bakery in northern Minnesota looks a lot more inviting thanks to a team from General Mills.

In September of 2008, Johnson’s Bakery in Duluth, Minn., was selected as one of the grand prize winners in the “Merchandising Makeover: Pillsbury Baking Edition” contest sponsored by General Mills and the Retail Bakers of America.

The Merchandising Makeover strategy is designed to help smaller bakeries remain competitive as more businesses and large retail chain stores enter the bakery business.

The family-owned bakery used the money – and volunteer help from General Mills – to install new flooring, lighting and shelving, as well as give the bakery a new paint job. The bakery also moved its coffee shop to the front of the store to give customers a bakery-café experience.

**Red Lake cookbook**

A cookbook highlighting the best recipes of the Red Lake Indian Reservation in northern Minnesota has given kids in that community a needed taste of success, and new educational opportunities, in the wake of a 2005 school shooting that left 10 people dead.

The “Taste of Red Lake Cookbook,” a collaborative effort between Red Lake High School and the General Mills American Indian Council employee network, has sold 3,000 copies and raised about $30,000 for the school since rolling off the press in March 2008. Red Lake teens collected recipes and provided illustrations, photography and creative writing for the 120-page book.

Following the 2005 shooting, the General Mills team provided financial support to tribe members, but the group wanted to do more – something deeper and more collaborative, explains Ann Merrill, manager, Corporate Communications and a member of the General Mills American Indian Council. After visiting the school several times to teach classes in how to create, brand and sell food products, the group hit on the idea of a cookbook.

“From tragedy, we’ve developed a much closer connection with Red Lake,” says Merrill. “This amazing book reflects that wonderful relationship. The students are really proud of it. And we’re proud of them.”

General Mills American Indian Council members contributed marketing, sales and nutritional expertise, and other employees brought their experience with layout and design to the table. The proceeds from cookbook sales are already making an impact. From the cookbook fund, four members of the 2008 Red Lake High School graduating class received $1,000 scholarships to further their education at various Minnesota colleges.
Campus Kitchens feed the hungry

From Northwestern University to Washington and Lee University, the innovative “Campus Kitchens Project” uses dining facilities on college campuses across the United States to help nonprofit groups serve nutritious meals to the hungry.

College students manage and operate the program on their campuses where they plan and prepare meals using leftover, unserved food and deliver them to hunger-relief agencies in their community. But the program goes even further – the colleges also open their kitchens to unemployed men and women by providing training in culinary skills.

General Mills has supported this national network of 20 colleges with more than $700,000 in grants.

While 2008 marked a pivotal year in the ramp-up – and creation – of several major cause-marketing initiatives, other long-standing General Mills philanthropic efforts continued.

Champions for Healthy Kids

Once again in 2008, 50 grass-roots, community-based organizations across the U.S. received General Mills Champions for Healthy Kids grants to support their mission to raise healthy, active young Americans.

It marked the sixth year of the program, which invests $500,000 annually in fun, youth-focused activities – from tricycling to gardening to dancing – that serve children from a broad range of racial, geographic and economic backgrounds. The program is a partnership of the General Mills Foundation, the American Dietetic Association Foundation and the President’s Council on Physical Fitness and Sports.

Since 2002, General Mills has invested more than $14 million in a variety of youth nutrition and fitness programs, which helped more than 3 million kids.

Combating obesity

General Mills increased its commitment to promoting active lifestyles and healthy eating with a new initiative unveiled in May 2008 in Washington, D.C.

The General Mills “Healthy Communities” initiative distributed $100,000 in grants to innovative, health-enhancing programs at four schools and nonprofit organizations in the Washington, D.C., area, which has one of the highest childhood obesity rates in the U.S.

“The generous donation from the General Mills Foundation gives organizations that work directly with the community the resources they need to improve the health of our youth,” says Washington, D.C., Mayor Adrian Fenty.
Supporting nonprofit organizations

Leadership Forum marks fifth anniversary

The General Mills Foundation is well-known for providing financial support to groups striving to make their communities better. Less known, however, is the leadership training it offers that paves the way for better-run community organizations.

The General Mills Leadership Forum, which celebrated its fifth anniversary in 2008, provides Twin Cities community leaders an opportunity to learn from the best in the business about effective communications, negotiating, and other key leadership skills that help them run their organizations effectively and serve people better.

The forum is held four times per year. General Mills invites management teams from nonprofit organizations, minority vendors, and law enforcement personnel for a series of leadership development programs led by top business consultants who provide pro bono training sessions to the nonprofit leaders.

A recent session drew representatives from dozens of Twin Cities organizations, ranging from Youth Frontiers to the Minneapolis Police Department. Since its launch four years ago, the Leadership Forum has provided capacity-building expertise to hundreds of local groups.

“This program gives us the tools to enhance the quality and leadership of our organization,” says participant Joe Cavanaugh, founder and CEO of Minneapolis-based nonprofit Youth Frontiers. “Monetary donations will only take you so far if you don’t have a quality staff to manage the organization.”

Decade of leading contributions

For the 10th year in a row, General Mills remained the No. 1 contributor to the United Way in the Twin Cities metropolitan area.

With the General Mills Foundation’s dollar-for-dollar match, the company raised more than $7.7 million in 2008 for the Greater Twin Cities United Way – exceeding our goal and increasing giving by 6 percent over fiscal 2007. Nearly 75 percent of General Mills’ Minneapolis-area employees participated.

“Every morning when I’m having my Cheerios, I say a little thank you to General Mills because not only is it a great company that makes great products and employs lots of people, but those talented people put their talents to work all throughout our community, in almost every way possible,” says Minneapolis Mayor R.T. Rybak.

Including other General Mills locations throughout the United States and Canada, the company raised $12.1 million for the United Way in 2008, also a 6 percent increase over 2007.
As General Mills continues to expand internationally, we are taking our commitment to be good corporate citizens with us.

Helping Africa feed itself

Sharing the expertise of General Mills scientists, agronomists, nutritionists and engineers is the drive behind the next phase of our humanitarian commitment to Africa – providing nourishment, training and jobs in two of the continent’s poorest countries through improved farming and food processing techniques.

The “African Women and Children’s Hunger Project” is an initiative focused on sustainable agricultural development in Malawi and Tanzania. General Mills has made an initial commitment of $5 million. The goal is to leverage the technical expertise of General Mills employees to make subsistence farming more marketable, profitable and sustainable. The Africa program focuses on women because they grow and process most of the food for families.

Technical volunteers

To date, about 100 General Mills technical employees have stepped forward to offer their services, and those in other parts of the company – such as marketing – also are looking at how they might help.

General Mills is working on projects with the following partners:

- CARE USA – Malawi
- Evangelical Lutheran Development Service – Malawi
- Prosperity Worldwide – Malawi
- U.S. African Development Foundation – Tanzania
- World Vision – Malawi

“We have moved from a focus on feeding others to helping Africans feed themselves and expand their economic opportunities,” says Chris Shea, senior vice president of External Relations and president of the General Mills Foundation. Visiting Africa in 2008, Shea and a General Mills team found that people there were very interested in the technical assistance that General Mills is uniquely qualified to provide.
Reaching out globally

Wide-ranging projects

General Mills resources have been used to:

- Expand production capacity of grain processing businesses to improve nutrition of mothers with young children while also increasing income of Tanzanian millet farmers.
- Help train 500 farmer households in Malawi in improved livestock production methods, including the construction of six poultry houses and seven fish ponds. Water from the ponds is then used to grow vegetables in the dry, winter season when the fields are normally barren. The result has been a more nutritious diet year-round.
- Develop six small-scale irrigation projects to help 3,000 women grow corn and vegetables in Malawi.
- Construct new pig enclosures, as well as supply the livestock, to address the needs of 1,000 households in Malawi.
- Dig a new well for a school.
- Establish a “village savings and loan” micro-financing organization to help women start small businesses – similar to the tiny savings and loans CARE has helped establish in other developing countries.

General Mills also will continue to feed about 4,400 children five days a week at several schools in Malawi, a commitment we started in 2007. In addition, the company is exploring how to deepen its relationship with CARE USA to provide more assistance to Africa.

There has been progress with these projects in Africa, but also much left to do. The United Nations’ Human Development Index, which measures life expectancy and standard of living, ranks Malawi 164th out of 177 countries worldwide, and Tanzania 159th.
Supporting contract farmers in China

General Mills helps to improve living standards by buying ingredients from local farmers for our food products.

For several years in the northeastern corner of China, General Mills has worked with about 530 households in Yongqing Village to grow a special variety of corn for Bugles snacks that we produce for Chinese consumers.

For farmers who grow corn under contract, General Mills provides seed, fertilizer and agronomic instruction, as well as guarantees to buy the farmers’ entire crop at above market prices.

This relationship, which began in 2003 when General Mills partnered with the Xingda Group (a local grain processor), has led to significant improvements in the quality of life in this remote village near the Russian border.

‘Water cellars for mothers’ in China

The company is extending its help to rural areas in western China, where economic development has lagged far behind the prosperous cities in the coastal regions.

Because rainfall averages only about 12 inches (300 mm) per year in the mountainous northern tier of Shaanxi Province, the General Mills Foundation has contributed funds to build water-capturing cisterns – known in China as “water cellars for mothers” – in the village of Wupu.

In fiscal 2008, the Foundation donated $39,500 to the All-China Women’s Federation for its “Land of Love – Water Cellars for Mothers” project to construct 312 water cellars. Water is so scarce that villagers need to skimp on bathing to save the water for cooking and drinking. In fiscal 2009, General Mills hopes to increase its funding to build larger cisterns that can provide water for drinking and agriculture.

International giving

The General Mills Foundation funded 15 different international projects in fiscal 2008, including:

• Providing scholarships to disadvantaged students in Australia.
• Providing educational opportunities for disadvantaged children in Manila.
• Financial support for an orphanage in South Africa.
Employee volunteers

General Mills has long encouraged its employees to volunteer, whether on their own, through company programs, or with their respective business units.

About 82 percent of our U.S. employees volunteer. Some collect food for food shelves. Others serve meals to the homeless, knit helmet liners for troops overseas or newborns in intensive care units, or help build new homes for Habitat for Humanity.

Many employees volunteer at the organizations funded by the General Mills Foundation to maximize the impact of the company’s support.

For several years, General Mills has supplied help to communities hit by natural disasters, and 2008 was no exception.

Flood relief

When flooding threatened the safety and security of cities across the Midwest including Cedar Rapids, Iowa, and Hannibal, Mo. (sites of General Mills facilities) in the spring of 2008, the company stepped in to support disaster relief efforts.

General Mills provided $25,000 in relief aid to each city. In addition, the General Mills Foundation provided a dollar-for-dollar match of employee contributions to the American Red Cross.

The company’s Human Resources division also established a fund to support Cedar Rapids employees who lost their homes because of flooding. In all, General Mills employees and vendors raised more than $80,000 for the 10 employees in Cedar Rapids and one in Hannibal whose homes were severely damaged.

China earthquake relief

When an earthquake of 7.9-magnitude hit the west central Chinese province of Sichuan, the General Mills Foundation donated $500,000 to the relief effort carried out by the Red Cross Society of China.

General Mills employs about 5,000 people at several sites in China, including five Häagen-Dasz shops and two sales offices located in the affected region. None of our facilities sustained any damage from the May 12 earthquake.

Employees in China and from the Asian Heritage Employee Network also donated money and products to help with the relief effort.

Hurricane relief

In the wake of Hurricane Gustav and other storms in the U.S. Gulf Coast region in the fall of 2008, the General Mills Foundation approved $200,000 for relief aid.

The funds were split equally between the American Red Cross Disaster Relief Fund and Feeding America (formerly America’s Second Harvest) to replenish its food shelves in the region.
Supporting diversity

The company continues to encourage and nourish diversity because it is good for society and good for business.

For many years, the company has supported several General Mills employee networks created to foster inclusion, including the:
- Black Champions Network
- American Indian Council
- Asian Heritage Network
- Betty’s Family GLBT Network
- Hispanic Network
- South Asian American Network
- Women’s Network

The company also provides mentoring programs to pair minority employees with senior-level managers and executives to forge valuable relationships and expose new employees to different areas of the company.

At the end of fiscal 2008, 19.2 percent of U.S. employees were minorities – virtually flat with 19.4 percent in fiscal 2007. And 15.1 percent of management-level positions are held by members of a minority group – up from 10.3 percent in fiscal 2007. (This includes corporate executives, senior managers and managers/supervisors.)

Women now make up 40.5 percent of the company’s work force in the U.S. – up slightly from 40 percent in fiscal 2007. And women now hold 38.8 percent of the management positions.

Encouraging minority- and women-owned suppliers

In fiscal 2008, we spent $460 million with minority-owned suppliers – surpassing our $400 million goal. That’s an increase of 31 percent over fiscal 2007 and more than five times the level spent in fiscal 1998.

In addition, the company spent $98 million with non-minority women-owned suppliers in fiscal 2008.

In total, the company spent $558 million in fiscal 2008 with minority- and women-owned suppliers – an increase of 23 percent over fiscal 2007. We buy everything from raw ingredients for our food products to legal services, and from trucking to advertising services.

“General Mills has not only provided us with an opportunity, but it is the epitome of a good corporate citizen,” says one of the company’s suppliers, Sandy Wallace, president of Independent Packing Services Inc. (IPSI) of Maple Grove, Minn. “General Mills has been a model for us on how to do the right thing in the community, and that has far-reaching effects.”

IPSI designs and manufactures protective shipping equipment, and for nearly two decades has crated valuable General Mills machinery used in production lines around the world, from Tennessee to Poland.

IPSI received General Mills’ Supplier Diversity Excellence in Service award in 2008.

General Mills has set a new goal to spend $700 million with minority- and women-owned suppliers by 2013.
Supporting diversity

Diversity-related awards

The company received many awards from outside organizations in 2008 for creating an inclusive, supportive work culture.

The following are among the awards the company received in 2008:

• 100 Best Companies for Working Mothers, Working Mother magazine
• Best Companies for Multicultural Women, Working Mother magazine
• Top Companies for Executive Women, National Association of Female Executives
• 40 Best Companies for Diversity, Black Enterprise magazine
• Top 50 Companies for Diversity, DiversityInc

Recognition for promoting women leaders

For the fifth straight year, General Mills was included in the National Association of Female Executives (NAFE) ranking of the top 30 companies for executive women.

The April 2008 issue of the NAFE ranking included a profile of Baking Division President Ann Simonds. Today, half of the company’s retail businesses are run by women. And five women serve on the General Mills Board of Directors.

Simonds and several other women executives from the top 30 companies have formed the NAFE Roundtable to help other companies advance women to leadership roles and to share best practices.

General Mills has 12 women’s affinity groups that meet regularly to address issues of concern to women. The company also hosts and supports the Women’s Speaker Series, which regularly brings in well-known women leaders to talk about values and leadership.

Ann Simonds
Baking Division President
A great place to work

The company received high marks from several organizations for its worker-friendly environment. The following are among the awards received for 2008:

• 100 Best Companies to Work For, Fortune magazine
• 50 Best Places to Intern, BusinessWeek magazine
• Best Place to Work in IT (No. 3), Computerworld
• United Kingdom’s 50 Best Workplaces, The Financial Times
• Training Top 100 (No. 7), Training magazine
• 100 Best Companies to Work For, London Sunday Times

For employees, working for General Mills has never been more satisfying. The 2008 employee climate survey showed that 75 percent of the company’s global employees who responded gave General Mills a “favorable” rating.

That’s the highest rating ever – besting the 72 percent favorable rating from 2006, the previous high-water mark. Eighty percent of the company’s 29,500 employees responded to the survey. The following are among other notable employee responses:

• 94 percent said “I am proud to be a part of General Mills.”
• 90 percent said they “would recommend this company as a good place to work.”
• 85 percent said employees “are treated with respect here, regardless of their job.”

No. 1 on Glassdoor.com ranking

Perhaps the most significant accolade the company received was from the collective pat on the back from employees themselves posted to a third-party Web site where unvarnished opinions of companies are shared.

The Glassdoor.com Web site showed that General Mills is tied for No. 1 out of 11,000 U.S.-based companies. On a five-point scale, General Mills ranked No. 1 at 4.5, along with Bain & Company, a global business consulting firm based in Boston.

On the site, employees post authentic comments about what they do and don’t like about the companies they work for. The site features this comment from a General Mills employee:

“They (General Mills) are good community partners, they genuinely care about diversity, and they are well-respected as a company. They are consistently ranked among the best companies to work for and their pay/benefits are competitive. The headquarters…is rather impressive as well as boasting an impressive cafeteria, health facility...You could probably live on campus if you wanted to. These amenities go a long way into making the real life more manageable so that you can focus on performing well at your job.”
Wellness efforts gaining traction with employees

For many years, General Mills has provided employees with programs to improve their health. It began nearly a quarter century ago with the TriHealthalon, a program designed for the sales team where different regions compete to meet fitness and wellness goals.

A similar program – Total You – was later created for employees at corporate headquarters. Then, in 2004, a program for manufacturing (supply chain) employees – Health Number – was created. All three programs are similar, but are tailored for the unique needs of these different employee groups.

The “health number” for all three groups is calculated by asking employees seven questions about exercise, diet, alcohol intake, 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. A “healthy” score is between 80 and 100, those at “moderate risk” have scores between 60 and 80, and those “at risk” have scores below 60.

The improvements in employee health since the programs were created have been significant.

General Mills offers a variety of wellness options for manufacturing employees, including fitness centers, weight-loss programs and health fairs.

“I weighed 260 pounds, had high cholesterol and couldn’t tie my own shoelaces,” says Randy Bottoni. “Then I got my health number screening and knew it was time to make drastic changes. I started a weight-loss plan and joined the YMCA. I ran my first marathon last year.”

In addition to providing onsite fitness centers and a wide variety of classes and fitness activities such as cross-country skiing, snowshoeing and dodgeball at our company headquarters in Minneapolis, the company also:

• Operates an onsite health service clinic for employees.
• Operates a recently expanded infant care center.
• Provides special yoga classes for new mothers.
• Provides flu shots every year.

Randy Bottoni weighed 260 pounds and had high cholesterol before his “health number” screening at General Mills. Since then, he works out six days a week, has kept off 40 pounds and intends to run two half marathons in the spring of 2009.
Promoting employee wellness

Cash wellness incentives

To encourage more healthy behavior, the company began offering cash incentives to those who take a health assessment survey and agree to exercise twice a week – 30 minutes each session – for six months. Employees can earn $50 for taking the online health assessment and $60 for exercising. Employees can also earn $120 per year by not smoking.

Employees aren’t the only ones who benefit from such wellness programs. General Mills’ health care cost increases have risen less than 3 percent annually in recent years – below the rate of inflation and significantly below the rate faced by U.S. industry overall.

Surgeon General praises General Mills

Former U.S. Surgeon General Richard Carmona spoke at the company headquarters in September 2008 to emphasize the importance of prevention in maintaining health and praised General Mills’ long-standing commitment to this philosophy.

“Embracing a life of wellness through prevention is essential as we move from a sick-care system into a health-care system,” says Carmona, a medical doctor who is now president of the nonprofit Canyon Ranch Institute. “I applaud General Mills’ commitment to this philosophy, and believe its corporate health and wellness programs are among the best in our nation.”

Brenda Steger in the General Mills Fitness Center at our corporate headquarters teaches yoga classes for company employees.
General Mills has one of the best workplace safety records in the food industry. In addition to complying with government regulations around the world, the company also has established its own high standards and guidelines, including industry and company best practices, to provide a safe and healthy workplace.

General Mills is working toward a goal of reducing its lost-time injury rate by 25 percent over five years. In fiscal 2008, global lost-time injury rates across General Mills were similar to the previous year. There were 212 lost-time injuries throughout the company in fiscal 2008 as compared to 210 in fiscal 2007. Fifty-two percent of all General Mills facilities had no lost-time injuries.

We have well-established safety management systems that help us identify, track, report and promote workplace safety performance across all of our businesses. Comprehensive audits also are completed for all manufacturing facilities. In addition to keeping employees safe, maintaining a safe and healthy work environment helps us minimize time lost and reduce medical costs.
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.

Our corporate governance policies have evolved over many years. The board of directors’ Corporate Governance Committee reviews these principles and practices annually and, when appropriate, recommends changes to the board. The fundamental premise of our principles, however, is the integrity and independent nature of the board and its overarching responsibility to our 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, non-employee 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 13-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 www.generalmills.com.
Corporate governance

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.

No. 2 on CRO magazine’s ‘100 Best Corporate Citizens’ list

General Mills is No. 2 on Corporate Responsibility Officer magazine’s 2009 ranking of the “100 Best Corporate Citizens” in the United States.

“The performances of General Mills and IBM reflect newly energized corporate responsibility, transparency and public disclosure efforts that build on consistently high levels of corporate citizenship practice, as both have made the list for nearly all of the past 10 years,” said the magazine in announcing its ranking.

The list is culled from U.S. companies included on the Russell 1000 Index, and measures performance in seven key areas: environment, climate change, human rights, philanthropy, employee relations, financial and governance.

General Mills earned top 100 scores in all seven measures, with a No. 1 (tied) ranking in governance and a No. 3 ranking for employee relations.
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.

Code of Conduct

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.

Our Ethics & Compliance Web site is available to our employees in 11 languages.

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

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.
General Mills’ commitment to good corporate citizenship extends globally to our sourcing activities and supplier practices. General Mills has had a long-standing policy designed to ensure that our suppliers act ethically in all aspects of their business.

This policy has helped to ensure that our vendors, licensees and contract manufacturers treat their workers fairly.

Over the past year, we have developed a more comprehensive Supplier Code of Conduct, which requires our suppliers to meet appropriate standards in the following areas:

- Bribery and other forms of corruption
- Child labor
- Discrimination and harassment
- Environment
- Forced labor
- Freedom of association and collective bargaining
- Wages, benefits and working hours


We have initiated an audit program to test compliance against the standards contained in the Code and are using industry-leading, third-party ethical sourcing audit firms.

These audits include agricultural locations where General Mills or a finished goods supplier owns the fields or is closely tied to agriculture production. Where the audits reveal deficiencies, we require that a corrective plan be implemented in a timely fashion.

Ethical sourcing is not only a General Mills issue, but an important matter for society. We believe that a coordinated approach, consistent with all antitrust and competition laws, will yield better conditions for all workers in the food industry. To that end, General Mills is an active member of AIM-PROGRESS, a group of leading packaged goods companies working together to promote ethical sourcing.

The objectives of AIM-PROGRESS include evaluating companies’ ethical sourcing programs, sharing best practices and creating more efficient and effective audit practices through common assessment standards and methodologies. We believe that the net effect of these activities will be higher standards and better working conditions throughout the industry.

We believe that our commitment to ethical sourcing is a critical part of our Nourishing Lives mission.
Introduction and overview

General Mills strives to be one of the most environmentally sustainable consumer foods companies in the world, and is committed to attaining and continually improving environmental performance and sustainability. In 2008, General Mills’ commitment to reduce its environmental footprint gathered momentum throughout the organization. It marked the first full year that Gene Kahn, an organic foods pioneer who founded Cascadian Farm in 1972 and Small Planet Foods in 1997 (which were acquired by General Mills in 2000), began coordinating sustainability initiatives across the company as the global sustainability officer. With that expanded role came additional resources.

We’ve created a cross-disciplinary Applied Sustainability Team that includes representation from throughout the company, including engineering, packaging, transportation, sourcing and agricultural research. The team meets weekly to share best practices and to monitor the progress we’ve made against our sustainability goals.

Sustainability strategy

The team has also developed the following sustainability strategy to:

- Meet, exceed and then expand our environmental commitments.
- Deliver innovation that provides consumers with the opportunity to buy sustainable products while maintaining or improving quality and taste.
- Build loyalty and trust with key stakeholders who value sustainable business practices.
- Engage employees in creating a culture of sustainability.
- Partner with key customers and suppliers to advance our environmental and business objectives.

In addition, the team has extended its reach internationally to further integrate these locations into our data collection and reporting processes.

Progress on sustainability goals

Three years ago, the company established global five-year goals to reduce our:

- Energy consumption rate by 15 percent.
- Greenhouse gas emission rate by 15 percent.
- Solid waste generation rate by 15 percent.
- Water usage rate by 5 percent.

We’re achieving reductions on two of the four goals. We’ve reduced our water use rate by 3 percent and our solid waste generation rate by 6 percent.

But we have faced challenges in meeting our energy and related greenhouse gas emission goals (almost all of our greenhouse gas emissions are derived from our energy use). Our energy consumption and greenhouse gas emission rates have remained about the same.

This is due, in part, because more of the recent products we’re selling are cooked or toasted, which requires more energy, and are also lighter in weight. This skews our energy use per metric ton produced upward.

Nonetheless, we remain committed to making progress against these goals, which our employees have fully embraced. So we expect more gains in future years.

At the same time, it’s become clear that these goals represent a small subset of the company’s total environmental impact considering other factors across the entire food chain, particularly agriculture.

So we are focusing more attention on sustainable agriculture to leverage our decades of experience in this area.
Reaching up the food chain

An estimated 90 to 95 percent of the food industry’s environmental footprint occurs in commodity production, supplier operations (including those that provide packaging) and transportation – areas we do not directly control. So we’ve ramped up our efforts to partner with growers and suppliers in order to further reduce the environmental impact of our products.

At General Mills, we recognize the importance of working with our suppliers to optimize environmental performance. Together, we can accomplish far more to minimize our impacts and improve the environment than we could possibly do alone.

That’s why we are developing the General Mills Environmental Champions Supplier Program. In this voluntary effort, we will collaborate with our suppliers to explore current practices and measure our combined environmental impact. As a result of this fact-based assessment, we will develop plans and timelines to improve our joint environmental performance.

This program will facilitate the development of practices and products that will protect and sustain the environment and natural ecosystems that our businesses depend on. This will not happen overnight, but we have begun this important effort.
Promoting sustainable agriculture

Agriculture plays a very large role in creating the food industry’s environmental footprint. General Mills has been working closely with many groups on sustainable agriculture including:

- The Keystone Center to develop best-in-class agricultural practices (Field to Market Initiative). The center uses science-based approaches to reach public policy recommendations and is focused on defining and measuring the sustainability of food production.
- The Sustainable Food Laboratory, where we collaborate with other food manufacturers, grocery retailers, foodservice companies, and NGOs (non-governmental organizations) to work across the entire food supply chain to improve environmental performance. The company is a founding member of the laboratory.

General Mills is working hard to leverage its expertise in sustainable agriculture, built over more than a century with its Green Giant brand of vegetables, to help improve the environmental performance of production-scale farming systems.

Growing more food on less land

Seed breeding advancements have resulted in better taste, texture and color. Not only has quality been enhanced, but we have reduced land and water usage through more efficient growing and processing methods.

Green Giant improvements in hybrid varieties, for example, have resulted in higher yields, reducing the amount of land needed to produce the same amount of food. In fact, in the last 35 years, improved hybrids through conventional breeding have more than doubled the yield of sweet corn while reducing the acreage planted. In other words, the same amount of corn can be produced with less water, fertilizer and land.

“We’re producing the same amount of sweet corn on half as much land as we did 35 years ago,” says Lane Johnson, director of Agricultural Research for General Mills. “That’s what we need to do going forward. There will be increasing pressure for land and more competition among crops as global population and consumer demand increases.”

Taking best practices global

Johnson and his colleagues are taking the hybrid varieties and sustainable agriculture practices to Green Giant growers around the world. Green Giant agronomists work with local growers to minimize chemical treatment and reduce water consumption – while increasing their yield at the same time. In Mexico, for instance, broccoli farmers in Irapuato harvested a larger crop after cutting their use of a type of insecticide (organophosphate) by half since 2004. A quarter of the farmers also have converted to drip irrigation from furrow irrigation, and they are reducing their water use by nearly 1.2 billion gallons a year.

“Farmers generally want to do the right thing and tend to be the best stewards of the land. They just need the resources, the opportunity and the tools.”

– Lane Johnson, director of Agricultural Research for General Mills
Setting sustainable agriculture goals

The Green Giant Agriculture Research department has set a series of goals to further reduce the brand’s environmental impact. Significant progress has been made against these goals, which are to:

- Reduce insecticide applications on sweet corn by 30 percent over three years.
- Reduce herbicide applications use on sweet corn by 5 percent over five years.
- Increase sweet corn yields by 10 percent over five years.
- Reduce water use on broccoli by 50 percent by using more efficient drip irrigation technology.

Green Giant is working closely with growers, the U.S. Environmental Protection Agency, and the U.S. Department of Agriculture to register reduced-risk herbicides.

Green Giant is committed to being a steward of “The Valley,” which is symbolic of the real locations where our vegetables are grown. Our commitment is to care for the land, the people who grow and process our vegetables, and the consumers who purchase and provide them to their families.

Sustainable agriculture recognition

In 2008, the Green Giant Seretram plant in Labatut, France, was recognized for its outstanding agricultural practices by the French Institute of Cereal. The plant earned the ARVALIS – Institut du Végétal certification for its efforts in reducing insecticide use and developing awareness and education concerning nitrogen fertilizer, water and pesticide use in agriculture.

Five years ago, the Seretram team also initiated sustainable agriculture practices with each of its 350 corn growers. By working closely with farmers, the team better understood the environmental aspects unique to each corn field. This process has enhanced relationships with the growers and developed more environmentally friendly ways to grow sweet corn.

We are committed to developing sustainable agriculture and helping advance its understanding and use. As part of that commitment, we are taking leadership roles in key sustainable agriculture-related, multi-stakeholder efforts.
Engaging Employees

Continuous Improvement

The formal adoption of environmental goal benchmarks into the company’s Continuous Improvement (CI) model has significantly improved the company’s performance on sustainability issues. Continuous Improvement – which describes an approach to business where employees use standardized tools and processes to minimize costs and eliminate waste – has been used to save General Mills millions of dollars in recent years. Oftentimes, these savings have also resulted in environmental gains.

General Mills has incorporated elements from the Toyota Production System, Lean Manufacturing and Total Productive Maintenance to create 35 different CI tools based on several concepts: zero loss mentality; total employee involvement; learn-do-teach; and health, safety and environment.

The Continuous Improvement process has actively engaged employees in identifying waste in the system and recycling opportunities. We’ve seen improvement in employee satisfaction as a direct result of our focus on employee engagement in the process as well as our efforts to train all employees.

Trimming waste in Albuquerque

Two of the best examples of how energized and engaged employees can save natural resources – and reduce waste – occurred at the General Mills facility in Albuquerque, N.M. In just two years, the plant is on track to cut the waste it sends to landfills by more than half – from 11.4 million pounds in fiscal 2007 to a goal of 4.2 million pounds by the end of fiscal 2009. At the end of fiscal 2008, the plant had already trimmed its waste sent to landfill by 39 percent.

A team of enthusiastic employees began eliminating solid waste by mapping the plant’s waste streams, then focusing on the top three or four areas where the most waste occurred – typically when production lines start up and shut down.

The Albuquerque team then used Continuous Improvement tools to standardize job processes – and communicate improvements daily – throughout the plant.

“Two years ago, we didn’t talk about waste all that much,” says Jodi Romero, a manufacturing technician at the plant. “Now, we all celebrate the ‘low-waste days’ – everyone from the plant manager to the technicians on the floor see the waste results daily, and there’s a buzz in the air when we’re on track with our goals.”
Focusing on the environment

Environmental auditing

General Mills performs comprehensive safety and environmental compliance audits on a regular basis at all of our 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 consumption rate

Energy

In fiscal 2008, our facilities used the equivalent of 545 kilowatt hours (KWH) per metric ton of production. Although some of our manufacturing plants have achieved the 15 percent reduction goal cited earlier, globally, we essentially used the same amount of energy per metric ton of product as the three previous years. The absolute amount of energy used has also remained relatively constant. This is despite the fact that the business had grown significantly over that period of time.

A primary reason our energy usage has remained flat is that a large majority of recent production is more energy intensive and relatively light in weight. Both factors work against our ability to reach our goal of reducing our energy consumed per metric ton of production. On the other hand, General Mills typically uses the number of cases produced to normalize our key performance indicators. On that basis, the company has achieved the 15 percent reduction rate goal.

Environmental savings pilot project

Environmental upgrades to our facility in Cedar Rapids, Iowa, have yielded more than $1 million in savings since late 2006 – primarily by using cold air during the winter to cool the plant instead of air conditioning and excess heat from the plant’s equipment to reduce the fuel needed to fire steam boilers used in the production process.

The improvements made at this pilot project in Cedar Rapids are in the process of being rolled out at several more General Mills production facilities. When completed, the total energy savings are expected to be several million dollars per year.

This energy saving is the culmination of a team effort by engineers throughout General Mills.

Green roof at General Mills headquarters

General Mills installed a “green roof” – adorned with more than 4,000 perennials such as prairie grasses and thyme – in the summer of 2008 on sections of its corporate headquarters building in Minneapolis.

“In hot weather, green roofs can be between 30 and 60 percent cooler than conventional roofs, thus reducing the ‘heat island,’” says Daryl Blakeborough, General Mills architect.

Green roof studies have shown that the roofs can reduce both summer cooling and winter heating needs by 26 percent.
Focusing on the environment

Greenhouse gases

In fiscal 2008, 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 is about the same amount that was emitted over the last three years. Our calculations are based on U.S. EPA’s Climate Leaders Greenhouse Gas Inventory Protocol. 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 derived from 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.

Solar panels in China

Solar energy panels were installed at our plants in Guangzhou and Shanghai, both in China. The panels produce boiler water that is about 35 degrees Celsius higher than room temperature, saving diesel fuel in the process.

Each plant has estimated savings of more than 15 tons of diesel fuel per year.
Focusing on the environment

Water
In fiscal 2008, our total water use rate was approximately 2.07 cubic meters per metric ton of production – a reduction of 3 percent compared with our baseline year 2006. Our water comes from private wells or municipal supplies and is treated as necessary before use. We monitor water quality closely to protect both employees and products.

Water is critical to food manufacturing – it is used as an ingredient, a coolant, and to clean and sanitize manufacturing equipment. We obtain water from reliable sources, use it efficiently and have set goals to reduce water usage where possible. We track the usage of water at each facility to identify areas of high usage and target opportunities for water conservation.

Wastewater
We manage wastewater effluent in a manner that does not adversely impact the soil, water or air. We also work closely with local authorities to comply with wastewater treatment requirements. Our manufacturing facilities typically discharge wastewater to publicly owned treatment works where it is treated prior to release to the environment. These plants are subject to permits or regulations that specify the quality parameters of the effluent.

Our Hannibal, Mo., facility removed four of the plant’s existing liquid ring vacuum pumps and replaced them with rotary screw vacuum pumps that do not consume water. The facility now consumes 7 million fewer gallons per year than it did prior to the project’s completion.

Georgia governor praises General Mills plant
The governor of Georgia and several other elected officials paid a special visit to the General Mills facility in Covington, Ga., in September 2008 to recognize the plant for its state-of-the-art onsite wastewater treatment plant.

“This is a great example of corporate citizenship,” said Gov. Sonny Perdue. “It not only allows for growth, but also helps the community.”

The treatment facility has trimmed the plant’s water usage by an average of 46 percent – or about 5.3 million gallons per month, enough to supply about 1,000 homes.

“We couldn’t ask for a better corporate partner in our community than General Mills,” said Covington Mayor Kim Carter. “General Mills was green even before it was cool to be green.”
Focusing on the environment

Air emissions

Our primary air emissions are related to energy use (carbon dioxide and other products of combustion), particulate emissions from food materials (cereal, flour, sugar, grain), and some ethanol from flavorings or the fermentation of dough products.

The greenhouse gas emissions are reported as carbon dioxide equivalents. Our emissions of food materials and ethanol are controlled to low levels and conform to the applicable permitted quantities. In the United States, air emissions are regulated by various government agencies that set regulatory standards.

Our plants adhere to local, state and federal emissions regulations. Our facilities in other parts of the world also are governed by air pollution regulations, although the approach may vary by country. Most facility air pollution permits are included within site operating licenses. These licenses can restrict the amount of particulate matter and combustion byproducts that can be emitted. In many areas, these permits also enforce site boundary standards for odors.

Ozone-depleting substances

Some man-made chemicals used in refrigeration, air conditioning, fire suppression equipment and pest control can cause damage to the earth’s protective ozone layer. Chemicals implicated as ozone depleting substances (ODS) include halons, chlorofluorocarbons (CFCs), hydrochlorofluorocarbons (HCFCs) and methyl bromide. The company is not adding any new ODS-containing equipment or chemicals, is phasing out the existing ODS usages over time, and is maintaining internal guidelines and programs to reduce the release of ozone-depleting substances. Any existing systems that contain these chemicals are closely monitored.

Currently, in our North American locations, approximately 90 percent of our refrigeration needs are met with ammonia, which does not impact the ozone layer. Our international plants have eliminated most uses of CFCs and HCFCs – their refrigeration needs are met with a combination of ammonia, CO2 and HFC (hydrofluorocarbons) systems.

Methyl bromide is used as a fumigant by General Mills, mainly in its flour mills. Over the years, the company has implemented processes and procedures such as heat treatment, improved cleaning procedures, and non-ODS alternatives to reduce or replace methyl bromide.

Hazardous materials

General Mills regularly reviews the need for hazardous materials. Hazardous materials can include cleaners and sanitizers, refrigerants, pesticides and processing chemicals. Each General Mills facility that uses hazardous materials conducts reviews, develops response plans, and implements training and communication programs for employees and their community in case of an accidental chemical release.

Turning waste methane into electricity in Arras

In June, our Häagen-Dazs ice cream plant in Arras, France, rolled out an initiative to use the methane gas generated by its wastewater treatment process to generate electricity. The plant installed an electrical turbine that converts the waste gas into electricity and thus allows the facility to sell it back to the local power supplier, Electricité De France.

The technology will save the plant money, reduce its methane emissions and increase its use of renewable energy sources by about 5 percent.
General Mills Corporate Social Responsibility

Focusing on the environment

Transportation
Our businesses seek to minimize the impact of transportation. We do this to reduce costs and minimize our environmental impact.

General Mills does not own any fleet transportation, but does contract for services. Our logistics staff reduces transportation energy demands by increasing truck shipment payloads and increasing the number of “backhaul” truck shipments.

In 2008, General Mills launched a computer-based transportation planning and vehicle scheduling initiative that is designed to make our transportation system even more efficient.

Before the new system was adopted, the loads were consolidated in one of every six trucks carrying General Mills products. Under the new system, the loads are consolidated in one of every two trucks. The new system is expected to save the company millions of dollars per year while at the same time reducing our use of fossil fuels.

We follow three guidelines to develop more sustainable packaging: better design, better materials and better application.

Better materials
By replacing one material with another that has a smaller environmental footprint, we can reduce the environmental impact of the complete package. Last year, we replaced virgin bleached paperboard with recycled unbleached paperboard for tens of millions of Green Giant frozen vegetable cartons.

Better design
Through better design, we are able to use packaging materials more efficiently. In 2008, Yoplait launched new packaging for club stores using a new cup design that uses less plastic and allows the cups to ship together more closely. The new package uses more than 20 percent less packaging per case than the previous design and saves more than 1,200 tons of plastic per year.

Better application
In some instances, a substantial change to the performance of a package can allow it to cover a greater scope of application. Our Totino’s pizza plant recently replaced corrugated cases with reusable plastic totes for handling ingredients and, as a result, saved more than 200,000 pounds of corrugated per year.

Packaging
General Mills has always focused on packaging. A variety of materials are used in packages with the safety of the foods dictating what is used for any specific product. Recycled or recyclable materials are used whenever feasible in accordance with food safety regulations.

General Mills has long researched ways to reduce packaging and solid waste. We began using recycled materials for production of 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.
Focusing on the environment

Solid waste

In fiscal 2008, 0.046 metric tons of waste were produced worldwide per metric ton of finished goods – a 6 percent reduction compared to our baseline year 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 (grain, milk, fruit), we have many opportunities for using unwanted byproducts as animal feed.

Materials used in packaging and equipment also present opportunities for recycling. Glass, metals, cardboard and plastics are collected for recycling. Many sites have 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.

Reclaiming yogurt for animal feed

Our plant in Carson, Calif., reduced its solid waste rate nearly 50 percent by improving the way it recycles yogurt from damaged containers.

The Carson plant has installed a high-pressure compactor called an extruder that is able to crush entire cases of individual yogurt-filled cups. The new system recovers about 90 percent of the yogurt, which is then collected and used on a farm as a supplement to feed dairy cattle.

Before the new system was installed, the damaged containers – filled with yogurt – were trucked to a landfill. Recycling the yogurt has saved money by reducing transportation and landfill costs.
One of the world’s leading food companies, General Mills operates in over 100 countries and markets more than 100 consumer brands, including Cheerios, Häagen-Dazs, Nature Valley, Betty Crocker, Pillsbury, Green Giant, Old El Paso, Progresso, Cascadian Farm, Muir Glen and more. General Mills is also a leading supplier of baking and other food products to the foodservice and commercial baking industries.

As of May 25, 2008, we had approximately 29,500 full- and part-time employees.

Headquartered in Minneapolis, Minnesota, U.S.A., General Mills had fiscal 2008 global net sales of US$14.9 billion, including the company’s $1.2 billion proportionate share of joint venture net sales. Joint ventures include Cereal Partners Worldwide and Häagen-Dazs Japan.
Company awards

100 Best Corporate Citizens

100 Best Companies to Work For

100 Top Companies for Training

100 Best Companies to Work For
London Sunday Times (United Kingdom), 2009, 2008

Top 50 Companies for Diversity

World’s Most Admired Companies
Fortune, 2009

America’s Most Admired Companies

Best Places to Work (No. 1), Glassdoor.com, 2008

World’s Most Reputable Companies
The Reputation Institute, Forbes, 2008

World’s Most Ethical Companies
The Ethisphere Institute, 2008

Top 10 in National Corporate Reputation Survey

100 Best Companies for Working Mothers
Working Mother magazine, 2008 – 1996

40 Best Companies for Diversity
Black Enterprise magazine, 2008, 2007

50 Best Places to Intern
BusinessWeek, 2008

Best Companies for Multicultural Women

Best Employers for Healthy Lifestyles

Top Companies for Executive Women

50 Best Companies for Latinas

100 Best Places to Work in IT

United Kingdom’s 50 Best Workplaces
The Financial Times, 2008

American Business Ethics Award (large company category)
Foundation for Financial Service Professionals, 2008

Start! Fit-Friendly Company
American Heart Association, 2008, 2007

Best Places to Launch a Career
BusinessWeek, 2007

Top Companies for Leaders
Fortune, 2007

Diversity Elite 60
Hispanic Business magazine, 2007

Employer of the Year
Employee Services Management Association, 2007

Top 10 Companies for Supplier Diversity
Hispanic Business magazine, 2007

Best Places to Work for GLBT Equality
Human Rights Campaign, 2007, 2005

America’s Top Organizations for Multicultural Business Opportunities

United Way Summit Awards
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.

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:
   - develop, implement and administer effective safety and environmental programs,
   - develop guidelines and programs to assist in complying with government regulations,
   - review and audit safety and environmental programs,
   - advise the Company on potential safety and environmental risks, including those involved with acquisitions and divestitures,
   - 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.
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 anti-corruption 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.
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.