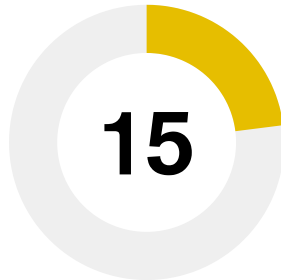


General Mills

Reported product categories
 Bakery, Confectionery, Dairy, Meal Replacement, Pasta, Ready Meals, Snacks, Soup, Concentrates



↓ Rank 15 / Score 2.3

Rank 10 (2016)



Product Profile

Rank 9 / Score 5.2

Headquarters
U.S.

Market capitalization
\$35,827 m

Reported revenue by geography ³
 North America 72%, Rest of World 28%

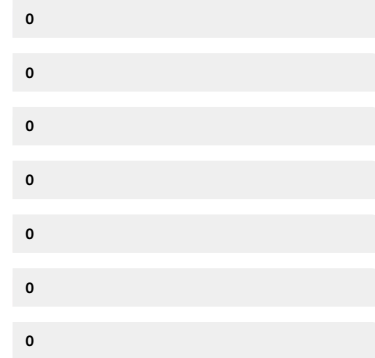
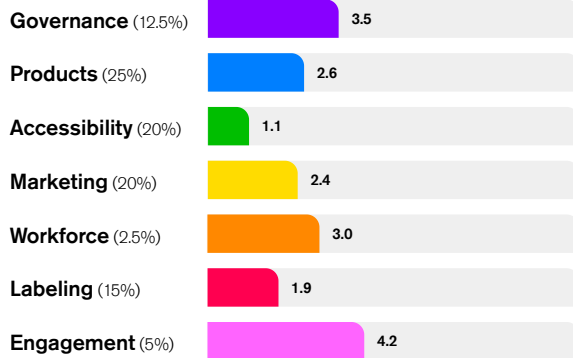
Number of employees
38,000

Total revenues ²
\$16,563 m

Corporate Profile

Nutrition 14/2.3

Undernutrition 20/-1



Main areas of strength

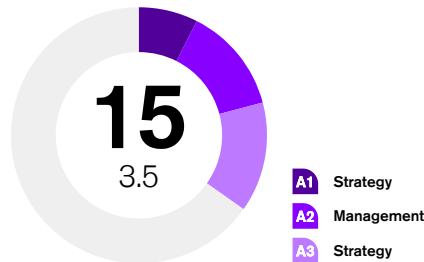
- General Mills' nutrition programs are subject to executive oversight via its Board-level Public Responsibility Committee, and overall nutrition responsibility is allocated to the CEO. The company commits to play a role in tackling the global challenges of obesity and diet-related chronic diseases, supports the priorities of the WHO Global Action Plan, and nutrition-related SDGs.
- General Mills participates in a number of marketing pledges such as IFBA, the EU Pledge and the Canada Pledge. In the U.S. it participates in CFBAI and supports the CARU Guidelines. The company does not market to children under the age of six, with a threshold audience of 35%, and restricts its marketing activities in schools, including secondary schools.
- The company participates in multiple labeling initiatives including IFBA globally and Facts Up Front in the U.S.

Priority areas for improvement

- General Mills' score has decreased from 2.5 in 2016 to 2.3 out of 10 in 2018 and it has dropped in ranking from tenth to fifteenth place. Although the company participated in the ATNI research process and provided some information on request, it provided insufficient evidence to allow a full evaluation of its performance. Publishing or sharing more information would allow ATNF to present a more complete assessment of its policies and practices.
- Similar to 2016, the company applies its product reformulation targets only in its major markets. Further, the company reports only retrospectively on the percentage of products that have met certain nutrient thresholds. The company is encouraged to adopt a robust NPS, to define a comprehensive set of reformulation targets based on clear nutritional criteria, and to report regularly on its progress.
- The company's score on marketing has decreased significantly, as it publishes limited commitments related to responsible marketing to all consumers and it did not share a policy with ATNF that met the ATNI's methodology requirements. To strengthen its performance, General Mills is encouraged to adopt a comprehensive global policy and publish it.
- The scope of the company's commitments on responsible marketing techniques differs by geographic region, with relatively strong commitments in the U.S. compared to its global (IFBA pledge) commitments. The company could strengthen its approach by applying its comprehensive U.S. commitments on responsible marketing techniques globally.
- General Mills ranks ninth on the Product Profile with a score of 5.2 out of 10, based on an assessment of its major product categories in nine countries. General Mills was estimated to derive only 20% of its total sales in 2016 from healthy products, i.e. products with an HSR or 3.5 or more. These findings illustrate that General Mills has significant scope to improve the healthiness of its portfolio through product reformulation, innovation or other means.

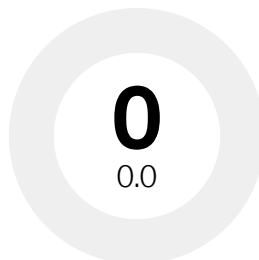
Category Analysis

Category A - Governance 12.5% - Nutrition

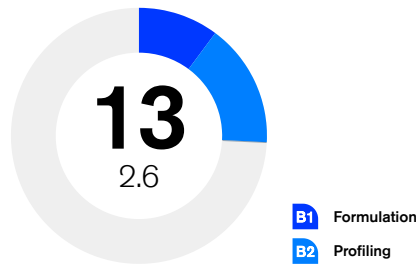


- The goal of General Mills is, “to provide people with nutritious, convenient food that can help them live healthier lives.” The company articulates a commitment to improve the variety and health profile of its products. However, this commitment does not seem to be seen as a core driver of the company’s commercial growth strategy which aims, “to create market-leading growth that will deliver top-tier returns to shareholders.” Even though the company focuses on consumer preferences, it failed to provide evidence of strategically incorporating a focus on health and nutrition into its business model.
- The company could strengthen its performance by translating its Global Responsibility goals related to nutrition into its commercial growth strategy by clearly articulating and including nutrition as a route to growth. Practical incorporation of such growth commitment is considering nutrition and health in mergers and acquisitions.
- General Mills’ publicly available nutrition strategy focuses on nutrition, labeling and marketing but lacks clearly articulated objectives. This is an area the company should focus on more in its public reporting.
- To strengthen its nutrition governance, the company should expand its focus beyond its home and major markets, to low-income populations. Moreover, the company is encouraged to strengthen its public disclosure to allow stakeholders to better understand how its commitments and related performance is realized. This encompasses areas such as sales generated from healthy products, nutrition-risk assessment and more detailed descriptions of its enterprise risk management process, nutrition targets and progress on achieving them, and the structure of the CEO’s remuneration.
- The company has assigned formal oversight of its nutrition activities to the Board of Directors / CEO and day-to-day responsibility for delivery to senior management. The company has an opportunity to leverage this governance structure and strengthen its strategic approach to health and nutrition.
- Nutrition activities are reported within the annual, company-wide Global Responsibility Report. Contrary to best practice, however, there is no indication that the report is independently reviewed or verified.

Category A - Governance 12.5% - Undernutrition

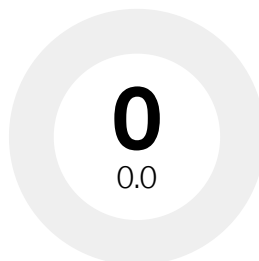


Category B - Products 25% - Nutrition

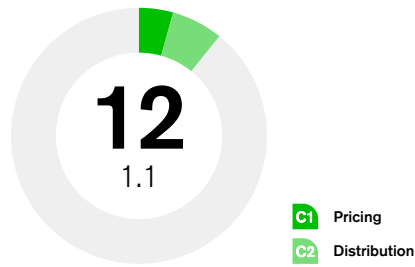


- General Mills commits to invest in R&D to improve the health profile of its products and although it publishes the percentage of revenues it spends overall on R&D, it has not set any forward-looking targets related to nutrition, which it is encouraged to do.
- General Mills does not use an NPS to calculate the overall nutritional quality of individual products. Rather it has developed its 'U.S. Health Metric Criteria' based on U.S. FDA recommendations. However, these metrics are applied only in its major markets and not globally. They are also not published in any detail to allow scrutiny of them. These metrics stipulate various goals, e.g. reducing negative nutrients by 5% or more and increasing beneficial nutrients by 10%. It has also made commitments to (re)formulate products to meet specific internal calorie limits and/or meet health or nutrition claim criteria (as defined by the FDA).
- While the Global Citizenship report contains consolidated data on new healthy products launched, which is commended, and an industry best-practice, the company reports only on the percentage volume of U.S. retail sales that met its criteria in the FY2016, but not on the percentage of products that meet an overall healthy standard as it does not have such a metric. It is encouraged to adopt a Nutrient Profiling System and report annually on sales generated from healthy products, globally and in its major markets.
- Some specific targets are articulated for some categories, such as achieving a 20% sodium reduction in ten key product categories by 2015. Typically, the company reports only retrospectively, usually in respect of its U.S. portfolio only, rather than setting consistent forward-looking targets for achieving certain reductions in negative nutrients or adding positive nutrients for all categories globally and reporting consistently on its progress in achieving all targets.
- While the company commits to improving the health profile of its products, it disclosed to ATNF that only 24% of its U.S. products (not sales weighted) meet its definition of a healthy product based on the CFBAI criteria. The Product Profile estimated that 23% of General Mills' global portfolio and 21% of its U.S. product portfolio is healthy according to the Health Star Rating system. Even though these results indicate that the company's approach to assessing nutritional quality is probably robust, there is significant scope remains for it to increase the proportion of healthy products in its portfolio.
- The company provided to ATNF the percentage of its U.S. portfolio that meets the CFBAI nutrition criteria for marketing to children and similar figures for the percentage of its EU portfolio that meets the EU Pledge criteria. However, it did not provide figures for other markets.
- Overall, General Mills is strongly encouraged to improve its disclosure to allow stakeholders to understand the relative scale of improvements made to its portfolio globally and to track progress.

Category B - Products 25% - Undernutrition

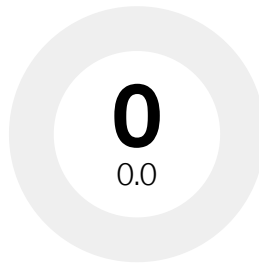


Category C - Accessibility 20% - Nutrition

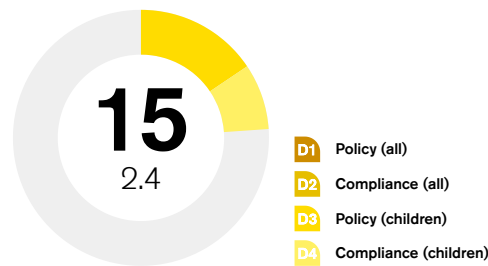


- As a step forward since 2016, the company has published a high-level goal to expand its portfolio to meet diverse consumer needs and make healthy food more accessible. It also makes a broad statement on the affordability of nutritious foods. However, General Mills does not yet publish any information on how it ensures that healthy products are in fact made accessible to low-income populations in developed markets and the lack of that information prevents further assessment and results in a relatively low score in this area.
- The company could strengthen its performance by defining clear commitments for the whole business, with particular reference to low-income populations, which it should formalize in an accessibility and/or affordability policy. That policy should be accompanied by clear targets for improving accessibility and affordability based on analysis of low-income populations' ability to pay for and access healthy products currently, undertaken in multiple markets.

Category C - Accessibility 20% - Undernutrition

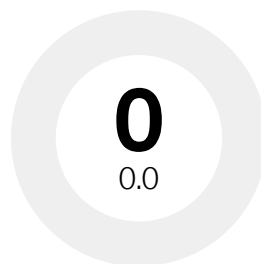


Category D - Marketing 20% - Nutrition

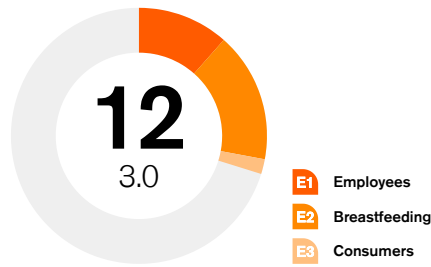


- Since 2016, General Mills' performance on criteria related to responsible marketing to all consumers (criteria D1 and D2) significantly decreased to a score of 0%. During the research process the company stated that it has a series of policy documents which collectively go beyond the ICC Framework with regards to responsible marketing to all consumers. General Mills provided further commentary that these commitments and policies are applied to all marketing initiatives globally. However, as the company did not provide any evidence of those policies and commitments, its statements could not be verified by ATNF. General Mills is strongly encouraged to publish its policies related to responsible marketing to all consumers, clearly indicating which media are covered. It could also pledge to adhere to the ICC framework and commission annual independent audits on compliance with its policy.
- In terms of responsible marketing to children, General Mills commits to the International Food and Beverage Alliance (IFBA) pledge on a global level, in the U.S. to the Children's Food and Beverage Advertising Initiative (CFBAI) pledge and the CARU guidelines, and in the EU to the EU Pledge. It also supports local pledges in Brazil, Canada, Singapore and Australia. General Mills applies CFBAI Nutrition Criteria globally, except when there is a locally-applicable standard in the given jurisdiction. However, it is important to note that there is a discrepancy in the scope of its responsible marketing commitments on responsible marketing techniques depending on the geography, with the company's commitments much higher in its home market. General Mills is strongly encouraged to extend the application of its U.S. responsible marketing techniques commitments globally so as to apply the same standards everywhere.
- General Mills does not advertise products that do not meet the CFBAI/EU Pledge or IFBA criteria for healthy products suitable for children under 12 when they represent 35% or more of an audience and clearly prohibits advertising in media primarily directed to children under six. This is commended. General Mills is now one of only a few companies that have adopted the best practice of not marketing in either primary or secondary schools. General Mills should expand the scope of the media covered by its policy and apply it when children make up more than 25% of a general audience. It should also set out how various marketing techniques will be used and expand commitments to prohibit marketing near primary or secondary schools or other places popular with children, as recommended by the WHO.
- In addition to the annual IFBA compliance review, the CFBAI audits the compliance of all signatories with its pledge annually and publishes industry-wide compliance figures. However, unlike some other companies, General Mills does not publish its individual compliance level. Disclosing publicly the company's individual compliance level for TV and digital marketing would have a positive impact on the company's performance and demonstrate good transparency.

Category D - Marketing 20% - Undernutrition

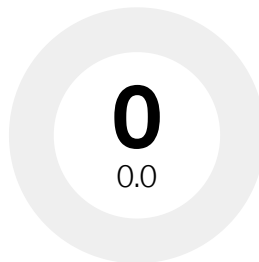


Category E - Workforce 2.5% - Nutrition

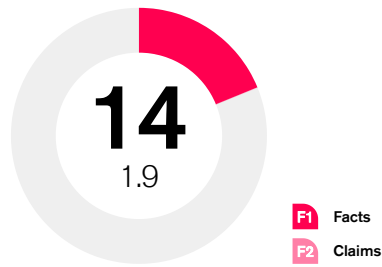


- General Mills makes a clear commitment to support the health and wellness of employees in all offices worldwide. Many examples are provided of initiatives across its international offices. However, the company did not provide evidence of having set employee participation targets nor other outcome targets since 2016. Although it states that it conducts annual internal evaluations, it publishes only qualitative information about the programs and does not provide any measure of whether the programs are effective and have improved participants' diets or health.
- In terms of commitments to support to breastfeeding mothers at work, the company could improve its performance by adopting and publishing global policy and by extending the length of paid maternity leave to six months or more. The company is encouraged to provide more public reporting on this topic.
- The General Mills Foundation funds some nutrition education and active lifestyle programs in its home U.S. market. However, the selection of these programs does not appear to be guided by a formal policy or set of guidelines, as none are published. Some programs' health impacts are independently evaluated, but the Foundation does not disclose whether this is the case for all programs. Overall, the company's approach to consumer education does not appear to have changed since the last Index.

Category E - Workforce 2.5% - Undernutrition

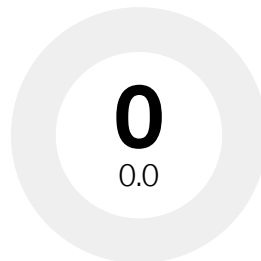


Category F - Labeling 15% - Nutrition

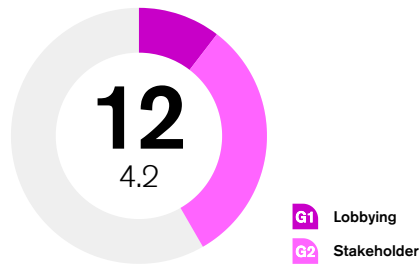


- General Mills supports the IFBA pledge which includes nutrition labeling commitments for the front-of-pack (FOP) and back-of-pack (BOP) across its global markets. The company commits to provide information on Guideline Daily Amounts (GDA) on FOP labeling and BOP on a majority of key nutrients either for either single or multiple servings.
- In the U.S. it commits to the Facts Up Front initiative and provides levels of calories, sodium, saturated fat and sugars per serving on the front of its food packages but not in an interpretative format. The company is encouraged to adopt a global policy which would extend its commitments on BOP labeling to align with best practice, and adopt an interpretative FOP labeling format globally, and to not undermine existing local interpretative FOP labeling systems by implementing alternative or additional systems.
- The proportion of markets in which General Mills has achieved full compliance with its labeling commitments was shared only under NDA. The company could increase its transparency by providing information on how many markets it has implemented its full labeling commitments in and for what proportion of products.
- As in 2016, the company does not appear to have a policy to determine whether products can carry claims in markets where nutrition and health claims are not well regulated. The company is encouraged to establish a commitment to follow Codex guidance with regard to health/nutrition claims in markets where national regulatory systems are weak or absent. Best practice would include tracking and disclosing the percentage of products carrying health and/or nutrition claims in all markets.

Category F - Labeling 15% - Undernutrition

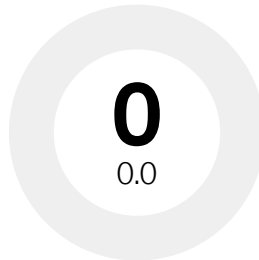


Category G - Engagement 5% - Nutrition



- General Mills has a Civic Policy and Public Policy in place. However, the company does not report publicly on topics about which it engages and does not make an explicit commitment not to lobby against public health topics. To strengthen its approach, the company could commitment to lobby only in support of public health initiatives in all markets.
- General Mills could improve its transparency related to its commitments and activities on lobbying and influencing governments and policymakers on nutrition issues. The company only discloses its membership in U.S. trade associations to which it paid dues of \$25,000 or more and political expenditures. Moreover, it does not set out whether it has any governance conflicts of interest or holds Board seats on industry associations and/or advisory bodies related to nutrition issues. The company could extend the scope of reporting beyond the U.S. market.
- General Mills engages with stakeholders, "to accelerate its progress on social and environmental initiatives. Its approach includes open dialogue, collaboration and transparent disclosure." Topics covered include food safety, health and nutrition, wellness, diverse consumer needs as well as other issues. However, it is not clear from its current limited disclosure whether it engages with stakeholders around the world nor whether and how stakeholder input is used to improve the company's policies and performance on nutrition – which should be its goal.

Category G - Engagement 5% - Undernutrition



Product Profile



Rank 9 / Score 5.2

Average HSR score products (sales-weighted)	Percentage of healthy products (sales-weighted)	Percentage of healthy products suitable to market to children (sales-weighted)	Number of products included in HSR and WHO EURO assessments		Number of countries included in the assessment
			HSR	WHO EURO	
2.6 stars	20%	7%	1543	1414	9

- General Mills' average sales-weighted HSR is 2.6 (2.4 unweighted), generating a Product Profile score of 5.2 out of 10, and it ranks ninth.
- It is estimated that 20% of its sales met the healthy threshold (23% of its products by number). The proportion of its sales attributable to products suitable to market to children was only 7% (9% of its products by number). The lower sales-weighted figures indicate that its products of poorer nutritional quality accounted for a slightly larger proportion of sales than those with better nutritional quality.
- General Mills has the highest proportion of healthy products in Australia where 55% of its products meet the healthy standard and also generated the highest level of revenues (43%) from healthy products compared to the other countries. China and Hong Kong had the lowest proportion of healthy products.
- In terms of product categories, only two product categories out of nine – 'Sauces, Dressings and Condiments' category (3.7) and 'Rice, Pasta and Noodles' (3.7) – were above the healthy threshold. The lowest scoring product category is 'Baked Goods' with an average HSR of 1.5 driven by the presence of a large number of cake mixes.
- Australia and the UK had the highest proportion of products eligible for marketing to children (33% and 16% respectively) with no products in China and South Africa eligible for marketing to children. Three product categories 'Ice Cream and Frozen Desserts', 'Sauces, Dressings and Condiments' and 'Sweet Biscuits, Snack Bars and Fruit Snacks' do not include any products that meet WHO Euro criteria for marketing to children.
- General Mills should focus on improving the nutritional quality of its products in the categories noted where no products were found to have a HSR of 3.5 or above, and on standardizing the nutritional quality of products and categories across all markets.

For full details, see the company's Product Profile scorecard.

Disclaimer

Global Index

2018

General Disclaimer

As a multi-stakeholder and collaborative project, the findings, interpretations, and conclusions expressed in the report may not necessarily reflect the views of all companies, members of the stakeholder groups or the organizations they represent or of the funders of the project. This report is intended to be for informational purposes only and is not intended as promotional material in any respect. This report is not intended to provide accounting, legal or tax advice or investment recommendations. Whilst based on information believed to be reliable, no guarantee can be given that it is accurate or complete.

Sustainalytics participated in the data collection and analysis process for the Global Index 2018, contributed to the company scorecards and supported writing the report.

Westat is responsible for the collection of data related to company compliance with the International Code of Marketing of Breast-milk Substitutes and any additional country specific regulations related to marketing of these products in Bangkok, Thailand and Lagos, Nigeria. Westat is responsible for the analysis of the data related to compliance with the BMS Marketing standards and for the preparation of its final study report, the results of which have been incorporated by ATNF into the 2018 Global Access to Nutrition report and the scoring of company performance for the same Index.

The George Institute for Global Health (TGI) is responsible for the data collection for the Product Profile assessment, using data from available databases that was supplemented with data provided by companies to ATNF. TGI is also responsible for the analysis of the data related to the Product Profile and the TGI Product Profile final report, the results of which have been incorporated by ATNF into the 2018 Global Access to Nutrition report. Furthermore, TGI is responsible for the data collection and analysis related to the historic sodium reduction assessment in Australia, the results of which have been incorporated into the Product Profile chapter of the 2018 Global Access to Nutrition report.

Innova Market Insights (Innova) is responsible for the data collection and analysis related to the historic sodium reduction assessment that was performed in four countries, the results of which have been incorporated into the Product Profile chapter of the 2018 Global Access to Nutrition report.

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Footnotes

1. General Mills generates less than 5% of its sales in non-OECD countries. Therefore, the company was not assessed on Undernutrition in the Global Index 2018.
2. Source: Morningstar, USD historic exchange rate
3. Source: Morningstar

