

General Mills, Inc.



CORPORATE PROFILE



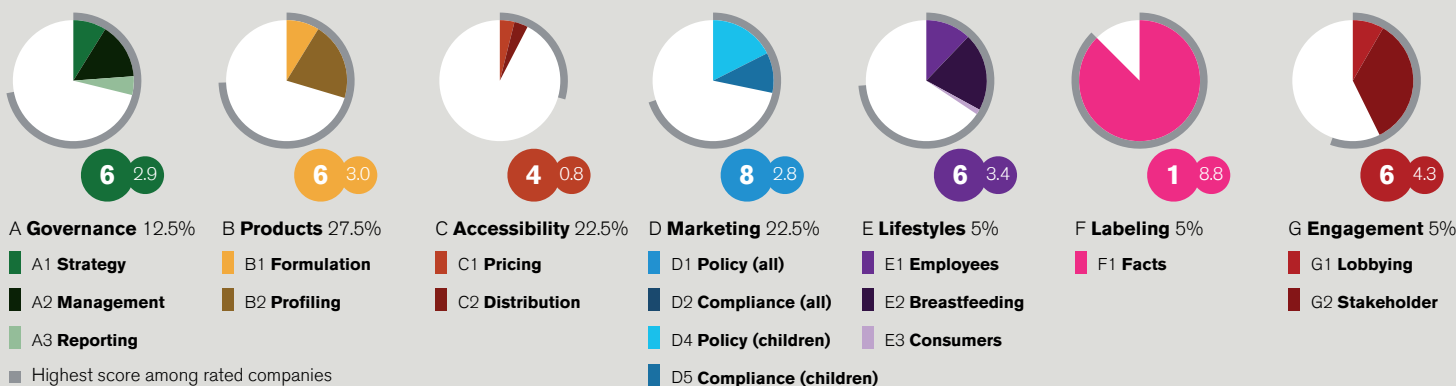
PRODUCT PROFILE

Company type	Publicly traded
Headquarters	U.S.
No. of U.S. employees	Not available
U.S. revenue range*	USD 10-15 billion

* Source: Euromonitor International, 2017.

Product Profile**	Revenue range	Mean HSR rating
Baked Goods	0-10%	1.4
Breakfast Cereals	30-40%	2.7
Dairy	20-30%	3.4
Ready Meals	10-20%	2.4
Sweet Biscuits, Snack Bars and Fruit Snacks	20-30%	2.2

Corporate Profile



Main areas of strength

- General Mills ranks third on the U.S. Index Product Profile with score of 5.2 out of 10.
- General Mills' non-commercial public health and nutrition programs are based on a clear strategy and plan. The company focuses, among other topics, on increasing food availability, variety and quality in the United States. Its approach entails strategic initiatives, grant-making, food donations and knowledge sharing.
- General Mills' U.S. Health Metric Criteria, applied for formulating/reformulating, is based on requirements as defined by the U.S. Food and Drug Administration (FDA) and the 2015 – 2020 Dietary Guidelines for Americans (DGA).
- General Mills has a relatively strong policy on responsible marketing to children and pledges to follow the two main sets of industry self-regulation commitments by being a Children's Food and Beverage Advertising Initiative (CFBAI) member and supporting the Children's Advertising Review Unit (CARU) Guidelines, administered by the U.S. Council of Better Business Bureaus (CBBB). It has adopted the best practice of not marketing in elementary or middle and high schools.
- General Mills is one of the high-ranking companies on nutrition labeling by committing to provide nutrition information through the industry-developed Facts Up Front system on Front-Of-Pack (FOP) and the Grocery Manufacturers Association (GMA) SmartLabel online system in the U.S. market. In addition, the company website features product nutrition information for all General Mills' U.S. products.

Priority areas for improvement

- General Mills ranks sixth on the U.S. Index Corporate Profile with a score of 2.8 out of 10.
- The company was estimated in the Product Profile to generate 19% of 2016 sales from healthy products (having a Health Star Rating (HSR) of 3.5 or more) and 6% from products that meet World Health Organization (WHO) Euro criteria for marketing to children. The company does not publicly disclose the percentage of healthy products it offers or sells in the United States. It should improve its transparency and step up its product reformulation, new product development and/or make acquisitions to improve the healthiness of its U.S. product portfolio.
- Overall, the company's disclosure and transparency regarding nutrition-related policies, practices and performance, as these apply to the United States, are limited. The company should disclose more information publicly.
- General Mills only reports retrospectively on the percentage of products that have met certain nutrition criteria (Health Metric). The company should publish comprehensive and forward-looking reformulation targets covering its entire U.S. portfolio. It should also adopt a robust Nutrition Profiling System (NPS) to guide its product innovation and reformulation activities.
- General Mills manufactures products for federal food assistance programs. To strengthen its performance, the company could publish more information about its commercial approach to addressing food insecurity and diet-related diseases, with a particular reference to priority populations in the United States, whose access to healthy food is constrained by low income or geographic factors.
- The company makes a broad commitment to address accessibility and affordability of healthy products in the United States. However, evidence of a strategic commercial approach to address this was not provided. The company should extend its commitments, performance and public disclosure in this area.
- To address concerns about 'copy-cat' products, General Mills should ensure that all products sold under the Smart Snacks in School regulation meet the same nutrition standards everywhere, including those products that are sold through other channels with a similar 'look and feel'. In terms of consumer education programs, the company should exclude brand-level sponsorship and commit to funding public health and nutrition programs that are underpinned by a sound evidence base, designed with expert advice and that draw on stakeholder inputs.

** The mean HSR is calculated per category and multiplied by the percentage of 2016 sales per category. These figures are totalled and doubled to give a maximum Product Profile score of 10.



General Mills, Inc.

Category analysis - Nutrition

A Governance

- General Mills Corporate Social Responsibility goal is "To provide people with nutritious, convenient food that can help them live healthier lives by improving the variety and health profile of their products while adhering to high standards of food safety." Although the company has philanthropic programs to address food security and strengthen hometown communities, limited detail is publicly available. The company should publish more about these activities on its own website.
- General Mills commits to deliver more, healthy foods in the United States but does not make an explicit reference to reaching priority populations whose access to healthy food is constrained by low income or geographic access. It could improve by including these populations explicitly in its commercial strategic focus on nutrition and health, disclosing how it intends to reach such populations with healthy products. In addition, it should increase its reporting on initiatives to address issues of food insecurity.
- The company could strengthen its commercial approach to improving diets and nutrition by fully integrating its CSR commitment to improve the variety and health profile within its commercial growth strategy, which does not mention a focus on health and nutrition. In addition, no evidence was found that nutrition issues are factored into its decisions about mergers and acquisitions.
- The company's publicly available nutrition policy is limited in scope. It focuses mostly on product reformulation, marketing and labeling, and lacks clearly articulated objectives. The company provided ATNF with information about its U.S. nutrition governance arrangements in relation to managerial accountability and internal audit and review. It should publish more on its strategy, targets and objectives and its U.S. nutrition governance arrangements.
- General Mills' non-commercial public health and nutrition programs are based on a clear strategy and plan. The company's philanthropic work focuses, among other topics, on increasing food availability, variety and quality. Through strategic initiatives, grant-making, food donations and knowledge sharing, the company aims to enable communities access to safe, nutritious and sufficient food.
- General Mills publishes Annual Global Responsibility reports, which cover its global operations but contain limited U.S. reporting on its product reformulation (in relation to its Health Metric criteria; see Category B for details) and non-commercial programs. General Mills should start reporting more on its approach and progress to address the nutrition challenges in the United States, its biggest market, covering both its commercial and non-commercial programs. This reporting should be verified externally.

B Products

- General Mills commits to invest in R&D to improve the health profile of its products but it does not disclose details about its R&D spending publicly. It reported to ATNF the number of new, healthy products launched and the number of products that meet the company's healthy standard. It could improve its transparency by disclosing this information publicly.
- In the Product Profile, 19% of 2016 U.S. sales were estimated to be derived from healthy products (which comprise 21% of the product portfolio), based on an HSR of 3.5 or more. These results indicate that the company needs to step up its efforts to improve the nutritional quality of its products in the United States, which should be driven by a clear and publicly disclosed definition of healthy products, as well as a strategy to increase the sales of these products.
- General Mills' U.S. Health Metric Criteria, applied for formulating/reformulating products to meet specific internal requirements, including limiting calories and meeting health or nutrition claim criteria, is based on requirements as defined by the FDA. Further, in terms of whole grain intake, General Mills makes a specific reference to the 2015 – 2020 DGA.
- These metrics stipulate goals of reducing negative nutrients by 5% or more and increasing beneficial nutrients by 10%, compared to a 2005 baseline, without disclosing all relevant details. Other goals are to include at least a half-serving of whole grain, fruit, vegetables, or low or non-fat dairy and/or formulating or reformulating products to meet specific internal calorie limits

and/or meeting health or nutrition claim criteria (as defined by the FDA). The company reports the percentage of U.S. retail sales volume which met these goals in the financial year 2016 (79%), but not on the percentage of products that meet an overall healthy standard, such as an HSR of 3.5 or more, or similar rating system.

- Some specific targets are articulated for specific categories. For example, a 20% sodium reduction in ten key product categories by 2015. General Mills reports on its website that it has achieved or exceeded that target in seven out of ten categories in the United States. Typically, the company reports on progress and results in relation to its portfolio retrospectively, rather than setting consistent forward-looking targets. The company should define a set of comprehensive, SMART and fully disclosed 'positive' and 'negative nutrient' product reformulation targets that are based on a robust and fully disclosed NPS.
- General Mills does not commit to apply a consistent set of nutrition standards to products sold under the Smart Snacks in School regulation and to equivalent products with a similar look and feel, sold through other channels. The company should adopt and publicly disclose this commitment to address concerns about 'copy-cat' products.
- Overall, General Mills should improve its disclosure to allow stakeholders to understand the relative scale of improvements made to its U.S. portfolio and to track progress.

C Accessibility

- General Mills makes a broad commitment to address affordability and accessibility of its healthy products. To develop this commitment further, the company could develop a policy for the U.S. market with a particular reference to priority populations in the United States whose access to healthy food is constrained by low income or geographic access.
- The company's approach could, for example, include defining targets such as narrowing down the price differential on healthy versus less healthy products, achieving a particular price point for healthy products, defining the number of priority populations to reach with healthy products through improved distribution in urban deserts. These targets and policies should be based on analysis on appropriate pricing and distribution methods of healthy products for priority populations.
- The company supports a number of programs to address food insecurity with food donations, in partnerships with Feeding America, Campus Kitchens Project and Second Harvest Heartland. The company should commit to donating a high percentage of healthy products to programs that address food insecurity. In addition, it should publish a commentary on the availability of healthy options for priority populations.

D Marketing

- General Mills mentions that it has adopted several internal policy documents related to responsible marketing techniques but it discloses only a few elements of these policies on its website. To enable a complete assessment of the company's commitments, General Mills should publish more details about its responsible marketing techniques to all consumers or share such information with ATNF. As the company did not share any evidence of its commitments, no score was credited for responsible marketing and compliance auditing in relation to marketing to all consumers (in contrast to specific commitments regarding marketing to children). The company should commit to following the International Chamber of Commerce (ICC) Code of Advertising and Marketing commitments, as many of its peers have.
- General Mills did not provide evidence of a commitment to developing and delivering marketing strategies for healthy products tailored to reaching priority populations in the United States and of taking steps to understand and reach this specific consumer group. This is an area the company should focus on and publish more about.
- The company applies its own policy regarding responsible marketing to

children, in addition to pledging to follow the two main sets of industry self-regulation commitments by being a CFBAI member and supporting the CARU Guidelines. General Mills does not advertise products that do not meet the CFBAI nutrition criteria for healthy products suitable for children under 12 on the media covered when they represent 35% or more of an audience. No marketing activities are primarily directed to children under six. General Mills has adopted the best practice of not marketing in elementary, middle or high schools. The company could improve by expanding the scope of the media covered in its policy and by applying a stricter audience threshold of 25% or less. It could also expand its commitments to prohibit marketing near elementary, middle or high schools or other places popular with children. It should also specify explicitly which types of marketing, i.e. related to signs, scoreboards, school equipment, corporate incentive programs, fundraisers, school publications, etc., are covered by this commitment.

- In the United States, General Mills' compliance with its commitments on marketing to children is annually audited by the CBBB. The company did not disclose its individual compliance level for TV and digital marketing but reported it had no instances of non-compliance. The company should disclose this information publicly on its website.
- The company could also improve its commitment to take corrective action in case of compliance issues regarding its responsible marketing policies.

E Lifestyles

- General Mills has a global commitment to support the health and wellness of employees. The company offers robust employee health and wellness programs available to all benefits-eligible employees including family members. The company evaluates its work/life balance programs annually in an effort to meet employees' changing needs and collects quantitative and qualitative metrics around the various health and wellness programs to measure health improvements delivered by its programs. Nevertheless, supportive evidence of these activities was not shared. To improve its employee health and wellness programs, the company could set employee participation targets, commission independent evaluations and publish more information about the results.
- The company has a policy which provides women with private, hygienic, safe rooms for expressing breastmilk and offers flexible working arrangements to support breastfeeding mothers. The company provides limited paid maternity leave. The company should publish more information about how it supports breastfeeding mothers at work and extend its paid maternity leave arrangements, at least meeting the recommended minimum of 14-weeks of paid leave by the International Labour Organization (ILO).
- The General Mills Foundation funds several nutrition education and active lifestyle programs in the U.S. market. The company could improve its performance by developing a formal policy or set of guidelines which would exclude brand-level sponsorship and align healthy eating programs to the 2015 – 2020 DGA. Further, these programs should be underpinned by a sound evidence base, be designed with expert advice and draw on stakeholder inputs. The company should also set out specific health outcomes that participants in the program should benefit from, for all programs, and commission independent evaluations in all cases. The company should publicly disclose information about the design and evaluation of all programs it supports.

F Labeling

- General Mills leads the ranking on category F, placing first together with Nestlé and Unilever.
- General Mills' FOP labeling provides numeric information on the levels of key nutrients and the percentage intake based on recommended daily values. The company applies the GMA's Facts Up Front system for products in the United States. Currently, the large majority of its U.S. products feature FOP labeling, meeting the ATNI methodology requirements of full implementation. The company could improve by communicating the nutritional value of its products by using interpretive FOP labels that are easy to understand for all consumers by using graphics, symbols or colors.
- The company also supports the GMA SmartLabel system, a voluntary initiative that provides consumers access to product information online. The corporate

website features product nutrition information for all of its U.S. products.

- The company is in the process of updating labels in advance of the FDA update of the Nutrition Facts Panel, which includes a requirement for labeling of added sugars and will go into effect on January 1, 2020. Although this aspect of the assessment is not scored and is provided for information purposes only, all companies are encouraged to implement the update to the Nutrition Facts Panel as soon as possible for all relevant products.

G Engagement

- General Mills discloses its Civic Policy and Public Policy publicly. Although the company discloses limited information about its political engagement activities in its Global Responsibility Report, it does not make an explicit commitment not to lobby against public health topics. To strengthen its approach, the company should make a commitment to not lobby on nutrition issues or commit to lobby only in support of public health initiatives.
- Beyond required disclosure of financial contributions to associations or other organizations that lobby on its behalf, General Mills does not disclose potential governance conflicts of interest and board seats at influential organizations. The company should disclose this information and its positions used in lobbying, as these relate to nutrition and preventing and addressing obesity and diet-related chronic diseases, including on school nutrition, FOP labeling, fiscal instruments related to nutrition, food marketing to children, and government-funded programs).
- 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 on addressing non-commercial public health and nutrition or how the stakeholder engagement influences the company's programs. It should publish information about how the results of stakeholder engagement activities shape its commercial and non-commercial nutrition-related policies and practices in the United States.

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Product Profile*

Portfolio-level results

Average HSR score (sales-weighted; out of 5 maximum)	Healty products (HSR)				Products suitable to market to children (WHO Euro)				% total U.S. F&B sales included
	No. assessed	% sales generated from healthy	No. healthy	% of healthy products	No. assessed	% sales generated from suitable	No. suitable	% of suitable products	
2.6	986	19%	204	21%	986	6%	66	7%	77%

▪ General Mills' average sales-weighted HSR is 2.6 and 2.4 when not weighted by sales, generating a Product Profile score of 5.2 out of 10, and a rank of third. The results are based on analysis of 77% of its 2016 sales from categories eligible for inclusion.

▪ 21% of the products assessed (204) were found to meet the healthy threshold of an HSR of 3.5 and were estimated to generate 19% of 2016 sales.

▪ 7% of the products assessed (66) were found to be suitable for marketing to children according to the WHO Euro model, which were estimated to generate 6% of 2016 sales.

Category results

Category	Baked Goods	Breakfast Cereals	Dairy	Ready Meals	Sweet Biscuits, Snack Bars and Fruit Snacks
Mean HSR	1.4	2.7	3.4	2.4	2.2
% products healthy	2%	23%	60%	18%	8%
% products suitable to market to children	1%	8%	24%	3%	0%

General Mills' category that achieves the highest mean HSR is dairy (3.4), just below the healthy threshold. The other four categories scored lower: Breakfast cereals (2.7), ready meals (2.4), sweet biscuits, snack bars and fruit snacks (2.2) and baked goods (1.4).

The category with the highest proportion of healthy products was dairy (60%) though 24% of those products were found to be suitable to market

to children. The rest of the categories present considerably lower results in both regards. For instance, in the breakfast cereal category (second highest mean HSR for the company), almost a quarter of products were found to be healthy, yet 8% were suitable for marketing to children; while 2% of baked goods (category with the lowest mean HSR) were rated healthy and 1% are able to be marketed to children.

* The mean HSR is calculated per category and multiplied by the percentage of 2016 sales per category. These figures are totalled and doubled to give a maximum Product Profile score of 10.

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Relative nutritional quality of General Mills' products by category

Mean HSR	Baked Goods	Breakfast Cereals	Dairy	Ready Meals	Sweet Biscuits, Snack Bars and Fruit Snacks
General Mills	1.4	2.7	3.4	2.4	2.2
Kellogg	2.2	3.3			1.8
ConAgra			2.1	3.3	
Kraft Heinz			2.4	2.1	
Nestlé			1.2	3.1	
Unilever			2.8	2.1	

General Mills has a diverse portfolio and competes with a range of other companies mostly in two categories: Dairy and ready meals. In the dairy category, its products achieve the highest nutritional quality with an HSR of 3.4, followed by Unilever with a score of 2.8. Its ready meals, though, fall within the mid-range of nutritional quality with an HSR of 2.4, versus the highest rating of 3.3 achieved by ConAgra's products and the lowest 2.1 rating by both Kraft Heinz and Unilever's products.

Conclusion

General Mills does not publicly disclose the percentage of healthy products it offers in the United States, nor the sales derived from them. It only reports retrospectively on the percentage of products that have met certain nutrition criteria, for which it is not possible to compare its results with those of the Product Profile. Moreover, the company has indicated that it will improve the healthiness of its products through R&D, but it does not publicly disclose details about its R&D disbursement. Ranking third in the Product Profile, the company seems to be missing a substantial opportunity to inform its investors, consumers and other stakeholders about its relatively

healthy portfolio and the steps taken to improve it. General Mills could benefit from improving its transparency in this area.

Yet, despite its good position in the ranking, none of the company's categories achieved a mean HSR above the healthy threshold. General Mills should step up its product reformulation, new product development and/or make acquisitions to improve the healthiness of its U.S. product portfolio. Furthermore, General Mills should adopt a robust NPS to guide its product innovation and reformulation activities.

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Note

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 Global Access to Nutrition 2018 report and the U.S. Spotlight Index report.

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