We produce and market more than 100 consumer brands in more than 100 countries on six continents.
The Sustainability Imperative

Declining resources and ecosystem services

Increasing demand for resources and ecosystem services
Why Sourcing Matters

GHG Emissions

- Agriculture: 14%
- Packaging supply chain: 12%
- Ingredient manufacturing: 7%
- Product manufacturing: 8%
- Distribution (Retailing): 12%
- GMI DC: 1%
- GMI Transportation: 3%
- Consumer/customer preparation: 14%
- Consumer/customer storage: 12%
- Consumer/customer transport: 0%

Water Consumption

- Agriculture: 14%
- Packaging supply chain: 12%
- Ingredient manufacturing: 7%
- Product manufacturing: 8%
- Distribution (Retailing): 12%
- GMI DC: 1%
- GMI Transportation: 3%
- Consumer/customer preparation: 14%
- Consumer/customer storage: 12%
- Consumer/customer transport: 0%

GMI is working on Sustainability programs across:

75% of our GHG footprint

99% of our water consumption
OUR GOAL is to sustainably source the raw materials we use in our products. **We are committed to sustainably sourcing 100 percent of our 10 priority ingredients by 2020.**

Our Strategies

- **Increase** sustainability of ingredients
- **Collaborate to improve** global water stewardship
- **Advance** socially responsible supply chains
Increasing sustainability of ingredients

Sustainable sourcing commitment

These ingredients 100% sustainably sourced by 2020 (palm oil by 2015).

Developing world
- Vanilla
- Cocoa
- Palm oil
- Sugarcane

Developed world
- Oats
- U.S. wheat
- U.S. sugar beets
- Dry milled corn
- Dairy (fluid milk)
- Fiber packaging

Performance dashboard

PHASE 1
Assessment
- Sugarcane
- Corn
- Cocoa

PHASE 2
Strategy formation
- Vanilla

PHASE 3
Transformation
- Oats
- Sugar beets
- Wheat
- Fiber packaging

PHASE 4
Monitoring & evaluation
- Palm oil
Definitions of Sustainability

Certification
- Sugarcane
- Palm Oil

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

Origin Direct Investment
- Vanilla
- Cocoa

Self Verification
- Fiber Packaging
- Animal welfare
The Power of Field to Market
Five of FtM’s environmental efficiency indicators are used to assess performance

- **Land Use**: Planted area in acres per unit productivity
- **Soil Conservation**: Average soil erosion in tons per unit productivity
- **Soil Carbon**: Annual average change in soil carbon measured as a Soil Conditioning Index (SCI) of -1 to 1
- **Nitrogen Use**: Quantity of nitrogen applied per unit productivity
- **Energy Use**: Total energy used (direct & indirect) in BTU’s per unit productivity
- **Greenhouse Gas (GHG) Emissions**: Sum of direct and indirect GHG emissions measured as CO₂ equivalents per unit productivity

Note: Currently FtM is not assessing metrics based on quality outputs but solely on a productivity basis due in part to the inability to develop relevant benchmarks.

Environmental indicators developed by Field to Market were integrated within Land.db™ for growers to field print their production.
Idaho Regional Engagement: “Paving the Way” for FTM

Opportunities & Incentives for Improvements

Learning’s from Aggregate Information

SE ID Crop & Rotation Analyses

Grower & Regional Story

Potato Processor & Shipper

GMI Wheat

Sugar Processor

Sustainable Sourcing Claims Downstream Efficiency Delivered Through Shared Cost

Field to Market

USDA

Benchmarks

Data Facilitators

Sourcing Region (boundaries & participation represent sourcing by GMI & other downstream companies)

Grower Pilot Participants Capturing Data with Land.db

Grower & Regional Story
Analyzing the Sustainability Story of Southern Idaho Wheat Production
The Big Picture: Producers Making a Difference

Why measure?
Global attention to agriculture’s impact on the environment is turning to each individual’s contribution. We live in a resource constrained world with an increasing population. To meet the future demand for food, we must increase efficient production while sustaining our natural resources.

How are we doing? (Focus areas & progress)
• Program is now in its fifth year of data collection
• Expansion of rotational crops to include spring wheat, winter wheat, potatoes, sugar beets and barley
• Individual Grower Reports provide relevant feedback to each grower and Grower Workshops provide guidance for improvements

What have we learned? (Understanding trade-offs & opportunities)
• Baseline datasets need a minimum of three years of data, with 4-5 years of data preferred
• Economics, weather and rotation have major influence on sustainability.
• Other contributing factors include quality attributes, pest pressure and the yield potential of the field

Environmental Performance for Idaho Wheat Production (relative to benchmarks)

<table>
<thead>
<tr>
<th>Human Element</th>
<th>Soil Carbon</th>
<th>GHG Emissions</th>
<th>Land Use</th>
<th>Water Use</th>
<th>Energy</th>
<th>Yield</th>
<th>Nitrogen Use</th>
<th>Soil Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>+11%</td>
<td>+18%</td>
<td>+16%</td>
<td>+10%</td>
<td>+14%</td>
<td>+14%</td>
<td>+10%</td>
<td>+10%</td>
<td>+10%</td>
</tr>
</tbody>
</table>

Notes: This evaluation benchmarks pilot participants relative to the 5 year average for the corresponding Crop Reporting Districts. A positive value (upward arrow) suggests improvement in performance and a negative value suggests a decline in performance.
Key Grower Engagement Principles

• Innovation not compliance
• Full crop rotation
• Voluntary
• Outcomes not practices
• Data privacy
• Sustainability + profitability
• Helping to tell the positive grower story
• Maintain the “freedom to farm”
• Better to play “offense vs. defense”
GMI’s Regional Engagements

- **Snake River (SE Idaho):**
  - **Wheat**
    - 115,000 acres
  - Wheat, potatoes, sugar beets & barley
  - Partner: Syngenta

- **Western Canada: Manitoba & Saskatchewan:**
  - Cereal grain: **Oats** & wheat
  - Oil: Canola
  - Pulses: Peas & Lentils
  - Partners: Pulse Canada, Canola Growers, POGA, Farmers Edge & Agri-Trend

- **Red River Valley:**
  - **Sugar Beets,**
  - Partners: RRVSGA & American Crystal Sugar

- **N Plains:**
  - **Wheat** & canola
  - Partners: ADM, CHS?

- **Ohio:**
  - **Wheat**, corn & soy
  - Mennel Milling, EDF, Syngenta & Farmers Edge

- **Wisconsin:**
  - **Dry Milled Corn** & soy
  - Didion Milling

- **S Plains:**
  - Under construction
  - **Wheat**

- **Michigan:**
  - Yoplait Reed City Plant
FTM Claims Based on Iseal

1. **Participatory** = membership + actively Working
   - Company is actively working with Field to Market®: The Alliance for Sustainable Agriculture to engage [x%] of growers in measuring continuous improvement of outcomes-based metrics for [y acres] of crop.

2. **Measurement** = analyses of improvement against the indicators
   - USDA CRD benchmarks by crop
   - Grower Program for crop in x% of sourcing regions
   - Grower Program acres, years, rotation and statistical significance defined
   - Grower Program 5 year continuous improvement against FTM indicators

3. **Impact** = analyses of regional impact
   - Water
   - Nitrogen

Confidence Increases