Group Report

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1 Introduction

General Mills is a global food manufacturing powerhouse, generating nearly $20 billion in annual revenue across its portfolio of over 100 brands. Founded in 1866 as the Washburn-Crosby Company, the firm has evolved from flour milling into a diversified food conglomerate with iconic brands including Cheerios, Nature Valley, Pillsbury, and Blue Buffalo pet foods.

1.1 Report Purpose and Scope

This report evaluates General Mills' financial health, sustainability practices, and investment opportunities to provide actionable recommendations for strengthening the company's long-term resilience. We analyze three interconnected dimensions:

- **Financial Performance**: Assessment of financial statements, ratios, and competitive position
- **Sustainability Practices**: Evaluation of environmental and social initiatives
- **Investment Analysis**: Feasibility analysis of a sustainability-focused capital project

2 Financial Performance

Our financial analysis is based on General Mills' fiscal 2025 annual report (year ended May 25, 2025), which provides the income statement, balance sheet, and statement of cash flows with 2024's metrics for benchmarking. Overall, the 2025 financial statements present a mature company with stable profitability, strong cash generation, and an active investment program, supported by significant but currently manageable leverage. When benchmarking against 2024's performance, a downward trend is identified in most metrics, with the exception of total assets and current assets.

2.1 Financial Statement Analysis

Table 1: General Mills Financial Statement Summary

Key Metrics ($ millions)	2025	2024	Change
Income Statement			
Net Revenue	$19,487.0	$19,857.0	-1.9%
EBIT (Operating Profit)	$3,305.0	$3,432.0	-3.7%
Interest Expense	$524.0	$479.0	+9.4%
Net Income	$2,295.0	$2,497.0	-8.1%
Balance Sheet			
Inventory	$1,911.0	$1,898.0	+0.7%
Current Assets	$5,276.0	$4,581.0	+15.2%
Total Assets	$33,071.0	$31,470.0	+5.1%
Current Liabilities	$7,857.0	$7,033.0	+11.7%
Total Liabilities	$23,860.0	$21,821.0	+9.3%
Total Equity	$9,211.0	$9,649.0	-4.5%
Cash Flow			
Operating Cash Flow	$2,918.0	$3,303.0	-11.7%
Investing Cash Outflow	($1,795.0)	($1,197.0)	+50.0%
Financing Cash Outflow	($1,180.0)	($2,272.0)	-48.1%

Source: General Mills 2025 Annual Report (fiscal year ending May 25, 2025).

From the income statement, net revenue declined modestly from $19.86 billion in 2024 to $19.49 billion in 2025 (-1.9%), while EBIT decreased from $3.43 billion to $3.31 billion (-3.7%). More concerning however, net income attributable to General Mills fell from $2.5 billion to $2.3 billion (-8.1%), indicating deteriorating profitability despite relatively stable sales performance. The decline in earnings was driven by rising interest expense (up 9.4% to $524 million) and reduced margins. On the balance sheet, total assets increased from $31.47 billion to $33.07 billion (+5.1%), while total liabilities rose faster from $21.82 billion to $23.86 billion (+9.3%). Total equity declined from $9.65 billion to $9.21 billion (-4.5%), largely due to share repurchases and dividends, which, together with increased borrowing, contribute to a significantly more leveraged capital structure. The cash flow statement shows weakening cash generation, with operating cash flow declining 11.7% to $2.92 billion in 2025. Investing outflows increased to $1.80 billion (up 50% year-over-year due to acquisitions), while financing outflows moderated to $1.18 billion.

2.2 Financial Ratios and Industry Comparison

Table 2: Financial Ratios and Industry Comparison (fiscal 2025)

Ratio	2025	2024	Change	Industry
Profitability				
Profit Margin	11.8%	12.6%	-0.8%	14.1%
ROA	8.5%	9.5%	-1.0%	5.9%
ROE	24.9%	25.9%	-1.0%	3.2%
Liquidity				
Current Ratio	0.67	0.65	+0.02	1.13
Quick Ratio	0.43	0.38	+0.05	0.58
Solvency				
Debt-to-Equity	2.59	2.26	+0.33	1.28
Interest Coverage	5.41	6.32	-0.91	–
Efficiency				
Asset Turnover	0.59	0.63	-0.04	0.71
DuPont Analysis	0.25	0.26	-0.01	–

Source: Calculated from General Mills' 2025 Annual Report; industry benchmarks for packaged food sector averages from investing.com.

General Mills shows weakening financial performance across most key metrics. Profitability declined on all fronts: profit margin fell from 12.6% to 11.8% (-0.8 percentage points), ROA dropped from 9.5% to 8.5% (-1.0 percentage points), and ROE decreased from 25.9% to 24.9% (-1.0 percentage points). While ROE (24.9%) outperforms the industry average (3.2%) by a large margin, this is misleading as it is primarily the result of increased leverage; General Mills' debt-to-equity ratio of 2.59 is more than double the industry benchmark of 1.28, meaning returns are driven by financial leverage rather than operational excellence. The profit margin of 11.8% trails industry peers (14.1%) by 2.3 percentage points, signaling competitive weakness in cost management or pricing power.

Liquidity remains structurally constrained. The current ratio (0.67) and quick ratio (0.43) improved slightly but remain well below industry benchmarks (1.13 and 0.58, respectively), which raises concerns about the company's ability to meet short-term obligations. Solvency weakened compared to 2024, with debt-to-equity rising from 2.26 to 2.59 and interest coverage falling from 6.32 to 5.41, indicating reduced capacity to meet debt obligations and heightened vulnerability to interest rate increases. Operational efficiency also deteriorated, with asset turnover declining from 0.63 to 0.59, meaning the company generated less revenue per dollar of assets, which compounds margin pressures.

The DuPont analysis reveals the inflated ROE. In 2024, ROE of 25.9% resulted from: profit margin (12.6%) $\times$ asset turnover (0.63) $\times$ equity multiplier (3.26). In 2025, ROE of 24.9% came from: profit margin (11.8%) $\times$ asset turnover (0.59) $\times$ equity multiplier (3.59). The analysis shows that despite a rising equity multiplier (indicating increased leverage), ROE still declined because both

operational efficiency and profitability weakened. This pattern is unsustainable - General Mills is borrowing more aggressively to offset deteriorating performance, creating long-term financial risk.

Key strengths include continued positive cash flow ($2.92 billion), strong brand equity across major food categories, and ROA (8.5%) that still exceeds the industry average (5.9%). However, key risks are much more prevalent: profitability is decreasing across all ratios analyzed; liquidity is tight, leaving limited buffer for unexpected shocks; leverage is elevated and rising, increasing vulnerability to interest rate volatility; and operational efficiency is declining, suggesting competitive or structural challenges. The combination of weakening margins, declining cash generation, and aggressive leverage creates a fragile financial profile that requires urgent management attention.

2.3 Recommendations for Strengthening Financial Resilience

Given the deteriorating profitability trends, elevated leverage, and constrained liquidity, General Mills is recommended to take immediate action to strengthen its financial position:

1. **Accelerate margin recovery**: The 0.8 percentage point decline in profit margin signals serious competitive or cost pressures. Management should implement targeted cost-reduction initiatives, reevaluate underperforming product lines, and prioritize pricing power through brand investment, a historical strong suit for General Mills. Achieving a profit margin of 13–14% (closer to industry norms) would significantly improve ROA and reduce dependence on leverage.

2. **Reduce leverage toward sustainable levels**: With debt-to-equity at 2.59 (vs. 1.28 industry average), the company is over-leveraged. Management should prioritize debt reduction by allocating a larger share of free cash flow to principal repayment, targeting a debt-to-equity ratio of 2.0-2.2 over the next 2-3 years. This would reduce financial risk and lower net interest expense.

3. **Improve working capital and liquidity**: Current and quick ratios of 0.67 and 0.43 leave minimal cushion for unexpected shocks. General Mills should optimize inventory management and maintain higher cash balances to target a current ratio of at least 0.75-0.80. This provides greater operational flexibility without requiring major capital reallocation.

4. **Increase operational efficiency**: Asset turnover fell from 0.63 to 0.59, indicating either underutilized assets or weakening productivity. The company should conduct a thorough asset review, divest non-core or underperforming facilities, and identify pathways to boost productivity. Improving asset turnover back toward 0.65-0.70 would meaningfully increase ROA.

5. **Shift focus from leverage-driven returns**: The DuPont analysis shows ROE is sustained by increasing leverage despite declining margins and efficiency. This strategy is unsustainable; management must move toward operational improvements rather than financial engineering.

These actions would restore General Mills to a healthier financial trajectory, reduce vulnerability to market shocks, and position the company to invest strategically in growth and sustainability initiatives from a more stable financial position. The company should also consider the following recommendations for sustainability resilience, which are discussed in the next section.

3 Sustainability Assessment

General Mills operates in a resource-intensive industry exposed to climate change, supply volatility, shifting consumer expectations, and evolving regulation. Sustainability performance is therefore critical to maintaining operational stability, brand trust, and long-term competitiveness. This section evaluates the company's performance across environmental, social, and governance (ESG) dimensions and identifies opportunities to strengthen resilience.

3.1 Environmental Performance

Carbon Footprint and Emissions Management

General Mills demonstrates strong climate leadership in its direct operations. The company has reduced Scope 1 and 2 emissions by 56% from its 2020 baseline and now sources 99% of its electricity from renewable sources. However, Scope 3 emissions account for 98.4% of the total footprint (see Figure 1), with agriculture (49%), shipping (28%), and packaging (13%) representing the largest contributors. Despite much progress, Scope 3 reductions have reached only 19% to date. Delivering future decarbonization will require accelerated collaboration with farmers, suppliers, and logistics partners across the upstream and downstream value chain.

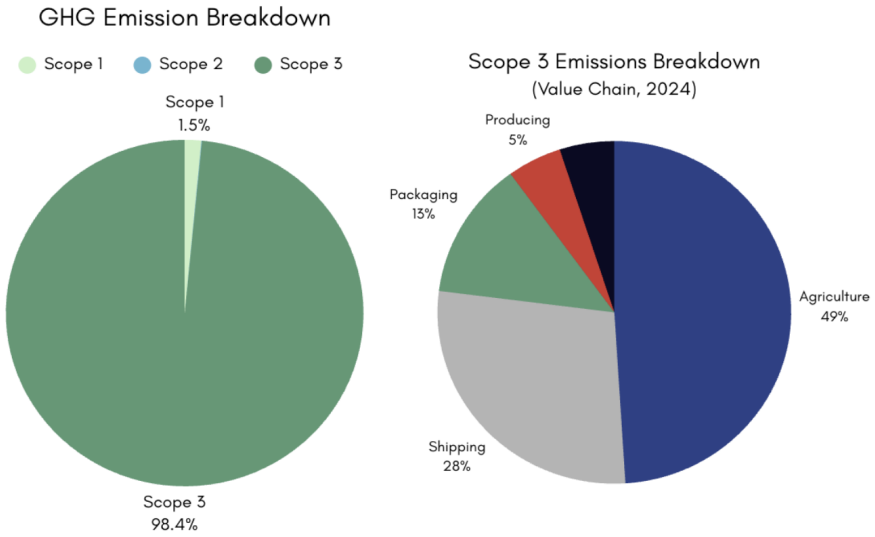

Figure 1: General Mills GHG Emission Breakdown by Scope (2024)
Source: General Mills 2024 Global Responsibility Report, Chart by JIMT Consulting.

Waste Management, Packaging, and Circularity

Progress toward circularity is also notable. As of the latest reporting, 93% of packaging is recyclable or reusable, and the company is roughly 65% of the way toward its zero-waste-to-landfill goal. Continued investment in waste-minimization systems, packaging innovation, and data tracking is needed to meet regulatory and consumer expectations for low-waste products.

Regenerative Agriculture and Nature Stewardship

General Mills is a sector leader in regenerative agriculture. More than 600,000 acres are enrolled toward its 1-million-acre goal, with practices such as cover cropping, reduced tillage, and biodiversity enhancement implemented in key sourcing regions. These initiatives support supply-chain resilience, soil health, and emissions reduction. Strategic partnerships, including collaborations with major retail partners, further reinforce this leadership and create a platform for scaling regenerative practices.

3.2 Social Performance

Employee Well-Being and Safety

Employee well-being is a clear strength. Survey data indicate that 88% of employees consider General Mills a great place to work, and only three serious injuries were recorded in fiscal 2024. Training, well-being programs, and robust safety systems contribute to this performance and help sustain operational continuity.

Diversity, Equity, and Inclusion

Leadership diversity exceeds sector norms, with women representing 45% of directors and non-white directors accounting for 27%. However, gaps remain in wage transparency and full workforce demographic reporting. In addition, ESG-linked executive compensation has not yet been implemented, limiting the explicit alignment between leadership incentives and sustainability outcomes.

Community Investment and Social Impact

General Mills contributed $128.9 million in fiscal 2024 to community initiatives and enabled 44 million meals through surplus food donation programs. Engagement across 46 communities strengthens the company's social license to operate and differentiates its brand in the competitive packaged-foods sector.

3.3 Governance and Reporting Quality

Data Sources and Methodological Rigor

The company's sustainability reporting aligns with recognised frameworks such as GRI and SASB. Key emissions data are externally verified, and methodological updates are disclosed transparently, supporting credibility and comparability over time.

Transparency and Disclosure Depth

General Mills provides clear baselines, year-over-year results, and open discussion of challenges across its ESG disclosures. Governance diagrams and detailed data tables further enhance transparency and accountability to investors and other stakeholders.

Climate Risk Disclosures

Climate-related risks - including drought, water scarcity, and evolving regulation - are identified in the company's disclosures. However, scenario analysis remains limited, and full alignment with the Task Force on Climate-related Financial Disclosures (TCFD) framework has not yet been achieved. Strengthening scenario analysis would improve investor confidence and risk preparedness.

3.4 Sustainability Strengths and Weaknesses

Key Strengths

- Leading Scope 1 and 2 emissions reductions (56% reduction from 2020 baseline)
- 99% renewable electricity across operations
- Sector-leading progress in regenerative agriculture
- Strong packaging circularity, with 93% of packaging recyclable or reusable
- High employee well-being and strong safety performance
- Strong board diversity and governance oversight
- Significant community investment and meal donations

Key Weaknesses

- Heavy dependence on Scope 3 emissions, which represent 98% of the total footprint
- Gaps in wage transparency and comprehensive DEI reporting
- Absence of ESG-linked executive compensation
- Slow progress toward zero-waste-to-landfill goals relative to long-term targets

- Limited quantitative climate-risk scenario analysis and partial TCFD alignment
- High exposure to agricultural climate risks

3.5 Recommendations for Strengthening Sustainability Resilience

To enhance long-term sustainability resilience, General Mills should:

- Accelerate Scope 3 transformation through expanded farmer incentives, multi-year sourcing contracts, and supplier benchmarking that rewards low-emissions practices
- Advance zero-waste progress via detailed waste audits, closed-loop systems in plants, and continued packaging innovation to close the remaining circularity gap
- Improve social transparency by expanding wage and workforce demographic disclosures and introduce ESG-linked executive compensation to align leadership incentives with sustainability goals
- Enhance climate-risk disclosure through TCFD-aligned scenario analysis covering multiple climate pathways and time horizons
- Strengthen water-stewardship initiatives in high-risk regions and scale community-impact programs, with greater emphasis on outcome-based metrics

3.6 Sustainability Conclusion

Overall, General Mills demonstrates strong leadership in emissions reduction, renewable energy use, regenerative agriculture, and community investment. At the same time, opportunities remain to strengthen Scope 3 strategy, social transparency, climate-risk analysis, and waste performance. Implementing the recommendations above would reinforce the company's resilience in the face of climate and market volatility and support continued sector leadership in sustainability.

4 Investment Analysis: Factory Heat Decarbonization Project

From the sustainability analysis JIMT Consulting had previously conducted, we identified an over-reliance on Scope 3 emissions which consisted of over 98% of General Mills' emissions. However, one remaining opportunity for Scope 1 decarbonization is the heat decarbonization of its factories. We evaluate a $12 million investment in heat decarbonization at three major production facilities. Although General Mills already uses 99% renewable electricity, many factories still depend on natural gas boilers and fossil-fuel heaters to cook and bake foods, dry cereal and snacks, sterilize equipment, and heat cleaning water. These systems emit significant quantities of CO_2, weigh on ESG scores, expose the company to volatile gas prices, and increase exposure to rising carbon taxes.

The proposed project replaces existing natural gas boilers with electric industrial heat pumps, biogas-ready hybrid boilers, and waste-heat recovery systems at the Murfreesboro (Tennessee), Cedar Rapids (Iowa), and Minnesota production hub facilities.

4.1 Project Rationale

This investment addresses multiple strategic, financial, and sustainability objectives:

- **Targets highest controllable emissions source**: Scope 1 natural gas combustion represents General Mills' largest directly controllable emissions category
- **Generates measurable cost savings**: Energy efficiency gains and carbon tax avoidance create immediate financial value
- **Strong alignment with net-zero commitments**: Directly supports General Mills' 2050 net-zero target and investor expectations
- **Supports green financing eligibility**: Qualifies under Green Loan Principles for energy efficiency and climate mitigation categories
- **Improves ESG competitiveness**: Strengthens ESG ratings relative to global packaged-food peers (Nestlé, Kellogg, Unilever)
- **Delivers substantial financial returns**: Project generates strong NPV, IRR, and payback metrics on top of environmental and strategic benefits

4.2 Financial Analysis

Project Assumptions and Parameters

Table 3: Financial Assumptions and Key Parameters

Assumption	**Value**	**Explanation**
Total Investment (CapEx)	$12.0 million	$4M per facility (industrial boiler conversions)
Annual Energy Savings	$2.3 million	28% efficiency gain from fuel switch
Annual CO_2 Reduction	8,600 tCO_2e/year	163,000 GJ x 53 kg CO_2/GJ (EPA emissionfactor)
Carbon Cost Savings	$688,000/year	8,600 tCO_2 x $80/tonne (Canada 2024 carbon price)
Total Annual Cash Flow	$2.988 million	Energy savings + carbon cost savings
Project Life	10 years	Standard lifespan of industrial heat systems
Discount Rate (WACC)	7%	General Mills historical WACC range (6.7–7.5%)
Green Loan Rate	4–5%	Typical ESG-linked financing rate reduction

Source: General Mills operational data; EPA emission factors; Canada carbon pricing schedule.

The $12 million capital investment generates $2.988 million in annual cash flows over a 10-year project life. Energy savings of $2.3 million per year result from 28% efficiency gains, eliminating 163,000 GJ of natural gas consumption and replacing volatile gas prices with stable contracted renewable electricity. Carbon cost savings of $688,000 annually (8,600 tonnes CO_2 x $80/tonne) avoid escalating carbon taxes and create a regulatory hedge.

Investment Performance Metrics

Table 4: Investment Performance Analysis

Metric	**Calculation**	**Value**
Net Present Value (NPV)	$PV = CF \times \frac{1-(1+r)^{-n}}{r} - \text{Initial Cost}$	$8.99 million
Internal Rate of Return (IRR)	$IRR = r$ where $NPV = 0$	21%
Payback Period	$\text{Payback} = \frac{\text{Initial Investment}}{\text{Annual Cash Flow}}$	4.01 years

Source: Calculated by JIMT Consulting.

The project exceeds all investment criteria with NPV of $8.99 million, IRR of 21% (vs. 7% WACC threshold), and 4.01-year payback, leaving 6 years of positive cash flows. Over the project life, General Mills generates $17.88 million on a $12 million investment, representing a 149% total return. The strong IRR (three times the cost of capital) demonstrates exceptional financial viability and risk-adjusted returns.

4.3 Financing Recommendation

Table 5: Financing Options Evaluation

Option	Cost of Capital	NPV Impact	Key Trade-offs
Green Loan*	**4–5%**	**$10.2M**	**Lower interest, ESG credibility, requires annual reporting and metrics verification**
Traditional Loan	7%	$8.99M	Easy to structure, higher interest, no ESG benefit
Equity	10–12%	$7.3M	No repayment required, dilutes shareholder value

Source: Green loan rates from ESG-linked financing market data; NPV calculated at respective costs of capital. * = Recommended option.

We recommend green loan financing at 4–5% interest, delivering the highest NPV ($10.2M vs. $8.99M for traditional loans) while strengthening ESG credentials and building green finance relationships.

This project is designed to transform General Mills from a partial decarbonizer into a truly low-carbon manufacturer. By cutting approximately 8,600 tons of CO2 annually from factory operations, the project delivers a direct and measurable climate benefit. It also strengthens the firm's ability to achieve its 2050 net-zero target, reduces future exposure to carbon taxes and potential fossil-fuel bans, and enhances General Mills' reputation as a credible climate leader. In addition, the project qualifies for financing under the Green Loan Principles as a climate-mitigation and low-carbon technology investment, given that it represents an energy-efficiency upgrade with verifiable emissions and cost savings. Overall, the investment improves access to future sustainability linked loans and bonds, increases the firm's attractiveness to ESG-focused investors and lenders, and signals strong governance and credible climate execution, thereby reinforcing General Mills' position as an industry leader. The integrated strategic impact:

Table 6: Integrated Strategic Impact

Finance	**Sustainability**	**Investment**
Improves margins and ROA through \$2.99M annual savings	Reduces 8,600 tCO_2/year, advancing net-zero target	Qualifies for green financing with preferential rates
Reduces energy cost risk and volatility	Enhances ESG ratings and climate credibility	Attractive to ESG-focused investors and lenders
Increases NPV and IRR	Aligns operations with 2050 commitments	Supports future sustainable funding access

Source: Integrated analysis across financial, sustainability, and investment frameworks.

4.4 Final Recommendation

We recommend proceeding with the \$12 million factory heat decarbonization project, financed through a green loan at 4-5% interest. The project delivers compelling financial returns (NPV \$8.99M, IRR 21%, 4.01-year payback), eliminates 8,600 tonnes CO_2 annually, and directly advances GenSeral Mills' 2050 net-zero commitments. Given that the private costs are offset by the positive NPV, we forego the Cost Benefit Analysis and approach the social benefits from GHG reduction qualitatively.

5 Integrated Recommendations

Our analysis reveals that General Mills' challenges and opportunities are deeply interconnected across financial, sustainability, and investment dimensions. Declining financial performance, elevated leverage, and constrained liquidity occur alongside strong ESG leadership in Scope 1 and 2 emissions, yet limited control over Scope 3 emissions.

The following recommendations are designed to strengthen General Mills' competitive position by ensuring that actions in one domain actively reinforce performance in the others. Each recommendation addresses multiple strategic objectives simultaneously, creating compounding value across both finance and sustainability.

5.1 Adopt TCFD-Aligned Sustainability Reporting

General Mills should enhance its sustainability disclosure by fully aligning with the Task Force on Climate-related Financial Disclosures (TCFD) framework. This includes but are not limited to implementing ESG-linked executive compensation and conducting scenario analysis.

Financial Impact: Transparent, standardized reporting improves investor confidence and reduces the cost of capital by signaling strong governance and risk management. TCFD alignment en-

hances access to ESG-focused institutional investors, who increasingly require climate-risk disclosures. Clear ESG metrics also support premium valuations relative to competitors with weaker disclosure practices.

Sustainability Impact: Robust reporting strengthens accountability for climate and social commitments, enabling trust building amongst stakeholders. Scenario analysis improves internal risk preparedness for drought, water scarcity, and regulatory changes affecting agricultural supply chains. Public disclosure of DEI metrics and wage data reinforces General Mills' social leadership and supports recruitment and employee retention.

Investment Impact: TCFD-aligned reporting is increasingly required by green bond and sustainability-linked loan providers to verify climate mitigation and adaptation impacts. Enhanced transparency improves eligibility for green financing expands the list of potential investors. Clear, audited data increases credibility and supports future capital raises at favorable terms.

5.2 Vertical Integration in Upstream Supply Chains

Scope 3 emissions represent 98.4% of General Mills' carbon footprint, with agriculture alone accounting for 49%. Addressing this challenge requires greater control over upstream supply chains. Given General Mills' proven capabilities in brand acquisition and integration, we recommend strategic acquisitions of agricultural suppliers in key categories such as grains and dairy. This approach enables direct implementation of regenerative practices, secures supply stability, and captures margin currently lost to intermediaries.

Financial Impact: Vertical integration reduces supply chain costs through coordination and economies of scale, improving profit margins and asset turnover - two areas where General Mills currently underperforms. Direct ownership of upstream operations eliminates intermediary markups, stabilizes raw material costs, and provides pricing power in volatile commodity markets.

Sustainability Impact: Direct control over agricultural operations enables accelerated deployment of regenerative practices. Integration removes barriers to scaling the company's 1-million-acre regenerative agriculture goal and significantly accelerates Scope 3 emissions reductions beyond the current 19% progress. Ownership also allows General Mills to invest in farmer training, soil health monitoring, and water stewardship initiatives whilst capturing the entirety of the investment's value.

Investment Impact: Vertical integration unlocks additional green financing opportunities by creating verifiable emissions reductions across the value chain and demonstrating a scalable Scope 3 strategy. Ownership of agricultural assets unlocks new loan categories such as sustainable agriculture financing. Integration also supports future scaling of energy efficiency projects (e.g., retrofitting

acquired facilities with heat pumps). Importantly, vertical integration retains the benefits of workforce investment within the company, avoiding value leakage to suppliers and strengthening employee well-being and DEI outcomes.

To reinforce alignment across these recommendations, General Mills should implement ESG-linked executive compensation tied to specific targets: (1) Scope 3 emissions reduction, (2) TCFD-aligned reporting quality, and (3) vertical integration milestones. This governance mechanism ensures that leadership incentives reflect the long-term, integrated value creation that these recommendations are designed to deliver.

6 Conclusion

Our analysis reveals General Mills at an inflection point: strong ESG leadership but declining financial performance. The integrated recommendations demonstrate that sustainability investments can simultaneously strengthen margins, reduce emissions, and unlock preferential financing. By investing in the heat decarbonization project, adopting TCFD-aligned reporting, and pursuing strategic vertical integration, General Mills can restore financial resilience while advancing its climate commitments and competitive position in the increasingly ESG-focused food sector.

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Appendix

A. Financial Statements

Balance Sheet (in Millions) Range: 2024-2025 General Mills	Ending May 25, 2025		Ending May 26, 2024	
ASSETS				
Current Assets				
Cash and cash equivalents	$	364	$	418
Receivables	$	1,796	$	1,696
Inventories	$	1,911	$	1,898
Prepaid expenses and other current assets	$	465	$	569
Assets held for sale	$	740	$	-
Total Current Assets	**$**	**5,276**	**$**	**4,581**
Long Term Assets				
Land, buildings, and equipment	$	3,633	$	3,864
Goodwill	$	15,622	$	14,751
Other intangible assets	$	7,081	$	6,980
Other assets	$	1,459	$	1,295
Total Long Term Assets	**$**	**27,795**	**$**	**26,889**
TOTAL ASSETS	**$**	**33,071**	**$**	**31,470**
LIABILITIES				
Current Liabilities				
Accounts Payable	$	4,010	$	3,988
Current portion of long-term debt	$	1,528	$	1,614
Notes payable	$	677	$	12
Other current liabilities	$	1,624	$	1,419
Liabilities held for sale	$	18	$	-
Total Currnet Liabilities	**$**	**7,857**	**$**	**7,033**
Long Term Liabilities				
Long-term debt	$	12,673	$	11,304
Deferred income taxes	$	2,101	$	2,201
Other liabilities	$	1,229	$	1,284
Total Long Term Liabilities	**$**	**16,003**	**$**	**14,788**
TOTAL LIABILITIES	**$**	**23,860**	**$**	**21,821**
STOCKHOLDER's EQUITY				
Common stock, 754.6 shares issued, $0.10 par value	$	76	$	76
Additional paid-in capital	$	1,219	$	1,227
Retained earnings	$	21,918	$	20,972
Common stock in treasury, at cost, shares of 212.2 and 195.5	$	(11,468)	$	(10,358)
Accumulated other comprehensive loss	$	(2,545)	$	(2,520)
TOTAL STOCKHOLDER's EQUITY	**$**	**9,199**	**$**	**9,397**
Noncontrolling interests	$	12	$	252
TOTAL EQUITY	**$**	**9,211**	**$**	**9,649**
TOTAL OWNER'S EQUITY AND LIABILITIES	**$**	**33,071**	**$**	**31,470**

Figure 2: General Mills Balance Sheet (FY 2024-2025)

Net Income Statement (in Millions) For the Year Ended May 25, 2025 General Mills	
REVENUE	
Net sales	$ 19,487
Total Revenue	**$ 19,487**
EXPENSES	
Cost of sales	$ 12,754
Selling, general, and administrative expenses	$ 3,446
Divestitures gain, net	$ (96)
Restructuring, transformation, impairment, and other exit costs	$ 78
Total Expenses	**$ 16,182**
Operating Net Income	**$ 3,305**
Other Revenue and Expenses	
Benefit plan non-service income	$ 54
Interest, net	$ (524)
Income taxes	$ (574)
After-tax earnings from joint ventures	$ 58
Net earnings attributable to noncontrolling interests	$ 24
Net Income	**$ 2,295**

Net Income Statement (in Millions) For the Year Ended May 26, 2024 General Mills	
REVENUE	
Net sales	$ 19,857
Total Revenue	**$ 19,857**
EXPENSES	
Cost of sales	$ 12,925
Selling, general, and administrative expenses	$ 3,259
Divestitures gain, net	$ -
Restructuring, transformation, impairment, and other exit costs	$ 241
Total Expenses	**$ 16,426**
Operating Net Income	**$ 3,432**
Other Revenue and Expenses	
Benefit plan non-service income	$ 76
Interest, net	$ (479)
Income taxes	$ (595)
After-tax earnings from joint ventures	$ 85
Net earnings attributable to noncontrolling interests	$ 22
Net Income	**$ 2,497**

Figure 3: General Mills Net Income Statement (FY 2024-2025)

Cash Slow Statement (in Millions) For the Year Ended May 25, 2025 General Mills	
BEGINNING CASH BALANCE	$ 418
OPERATING	
Net earnings, including earnings attributable to noncontrolling interests	$ 2,319
Depreciation and amortization	$ 539
After-tax earnings from joint ventures	$ (58)
Distributions of earnings from joint ventures	$ 45
Stock-based compensation	$ 92
Deferred income taxes	$ (121)
Pension and other postretirement benefit plan contributions	$ (31)
Pension and other postretirement benefit plan costs	$ (13)
Divestitures gain, net	$ (96)
Restructuring, transformation, impairment, and other exit costs	$ 74
Changes in current assets and liabilities, excluding the effects of acquisitions and divestitures	$ 192
Other, net	$ (25)
NET CASH FLOW OPERATING	$ 2,918
INVESTMENT	
Purchases of land, buildings, and equipment	$ (625)
Acquisitions, net of cash acquired	$ (1,419)
Investments in affiliates, net	$ 13
Proceeds from disposal of land, buildings, and equipment	$ 1
Proceeds from divestitures, net of cash divested	$ 242
Other, net	$ (7)
NET CASH FLOW INVESTING	$ (1,795)
FINANCING	
Change in notes payable	$ 667
Issuance of long-term debt	$ 2,355
Payment of long-term debt	$ (1,300)
Repurchase of Class A limited membership interests in General Mills Cereals, LLC	$ (253)
Proceeds from common stock issued on exercised options	$ 43
Purchases of common stock for treasury	$ (1,203)
Dividends paid	$ (1,339)
Distributions to noncontrolling interest holders	$ (22)
Other, net	$ (129)
NET CASH FLOW FINANCING	$ (1,180)
ENDING CASH BALANCE	$ 362

Cash Slow Statement (in Millions) For the Year Ended May 26, 2024 General Mills	
BEGINNING CASH BALANCE	$ 586
OPERATING	
Net earnings, including earnings attributable to noncontrolling interests	$ 2,519
Depreciation and amortization	$ 553
After-tax earnings from joint ventures	$ (85)
Distributions of earnings from joint ventures	$ 50
Stock-based compensation	$ 95
Deferred income taxes	$ (49)
Pension and other postretirement benefit plan contributions	$ (30)
Pension and other postretirement benefit plan costs	$ (27)
Divestitures gain, net	$ -
Restructuring, transformation, impairment, and other exit costs	$ 224
Changes in current assets and liabilities, excluding the effects of acquisitions and divestitures	$ 11
Other, net	$ 42
NET CASH FLOW OPERATING	$ 3,303
INVESTMENT	
Purchases of land, buildings, and equipment	$ (774)
Acquisitions, net of cash acquired	$ (452)
Investments in affiliates, net	$ (3)
Proceeds from disposal of land, buildings, and equipment	$ 1
Proceeds from divestitures, net of cash divested	$ -
Other, net	$ 31
NET CASH FLOW INVESTING	$ (1,197)
FINANCING	
Change in notes payable	$ (21)
Issuance of long-term debt	$ 2,065
Payment of long-term debt	$ (902)
Repurchase of Class A limited membership interests in General Mills Cereals, LLC	$ -
Proceeds from common stock issued on exercised options	$ 26
Purchases of common stock for treasury	$ (2,002)
Dividends paid	$ (1,363)
Distributions to noncontrolling interest holders	$ (21)
Other, net	$ (54)
NET CASH FLOW FINANCING	$ (2,272)
ENDING CASH BALANCE	$ 418

Figure 4: General Mills Cash Flow Statement (FY 2024-2025)

Ratios	2025	2024	Change
Profitability			
Profit Margin	11.8%	12.6%	-0.8%
ROA	8.5%	9.5%	-0.9%
ROE	24.9%	25.9%	-1.0%
Liquidity			
Current Ratio	0.67	0.65	0.02
Quick Ratio	0.43	0.38	0.05
Solvency			
Debt to Equity	2.59	2.26	0.33
Interst coverage	5.41	6.32	-0.91
Efficiency			
Asset Turnover	0.59	0.63	-0.04
Dupont	0.25	0.26	-0.01

Ratios	GM 2025	Industry Benchmark	Difference
Profitability			
Profit Margin	11.8%	14.1%	-2.3%
ROA	8.5%	5.9%	2.6%
ROE	24.9%	3.2%	21.7%
Liquidity			
Current Ratio	0.67	1.13	-0.46
Quick Ratio	0.43	0.58	-0.15
Solvency			
Debt to Equity	2.59	1.28	1.31
Efficiency			
Asset Turnover	0.59	0.71	-0.12

Figure 5: General Mills Financial Ratios and Industry Comparison

B. AI Use Tracking

Prompt / AI Task	Reason(s)	Use Level	Section Used
"Can you structure our report's tables so that the sources are aligned at the bottom of the table"	LaTeX output had our sources pushing tables o	2	entire report
"Can you go through and add /bigskip /noindent to the beginning of every paragraph immediately following another paragraph"	Formatting LaTeX	2	entire report
"There is a 'Net earnings, including earnings attributable to noncontrolling interests' and 'Total comprehensive income' in the statement, which one should i use for financial ratios calculation and why?"	clarification needed due to the confusion of ne	3	financial report
"I'm writing a financial report, give me some words have the same meaning of increase and decrease for me to use"	I dont want the whole paragraph to be increas	1	financial report
"Can you add 4 px of space between every row for tables 3-6 for readability"	Formatting LaTeX	1	tables 3-6
"As a naive reader who doesn't know much about General Mills, what does my sustainability report tell you?"	I wanted to see how my report is read by someone	2	sustainabillity report

Figure 6: AI Use Tracking Table

C. Claim-Evidence Table

Statement / Claim	Source	Original wording or key findings from the source	Source supports / does not support the claim	Notes on potential bias, limitations, or alternative perspectives
Founded in 1866 as the Washburn-Crosby Company, the firm has evolved from flour milling into a diversified food conglomerate with iconic brands including Cheerios, Nature Valley, Pillsbury, and Blue Buffalo pet foods.	General Mills, Inc. (2025c). Our history [Company history from 1866 to present]. https://www.generalmills.com/about-us/our-history	"In Washburn-Crosby Company's first days, before General Mills existed as a company, it was a flour mill, perched on the banks of the Mississippi River — the lifeblood of what would become Minneapolis, Minnesota."	primary	historical claim - likely no bias
strong brand equity across major food categories	Aaker, D. (2015, August). How general mills gained brand relevance [Analysis of General Mills' acquisition strategy including Annie's, Small Planet Foods, and Larabar]. https://prophet.com/2015/08/243-general-mills-gains-relevance-through-products-and-acquisition/	"Brand relevance is a measure of how integral a brand is to people's lives— the more relevant the brand, the more equity, presence, and importance the brand has. General Mills took a unique approach to boosting relevance by recognizing new customer demands— in this case, the demand for healthy foods— and acquiring other brands that offer innovative, healthy products across different areas of customers' lives."	primary	possibility of bias; David Aaker is a business professor emeritus from UC Berkeley that does not have direct ties t General Mills, though personal relationships may not be public.
prioritize pricing power through brand investment, a historical strong suit for General Mills	Aaker, D. (2015, August). How general mills gained brand relevance [Analysis of General Mills' acquisition strategy including Annie's, Small Planet Foods, and Larabar]. https://prophet.com/2015/08/243-general-mills-gains-relevance-through-products-and-acquisition/	"Brand relevance is a measure of how integral a brand is to people's lives— the more relevant the brand, the more equity, presence, and importance the brand has. General Mills took a unique approach to boosting relevance by recognizing new customer demands— in this case, the demand for healthy foods— and acquiring other brands that offer innovative, healthy products across different areas of customers' lives."	primary	possibility of bias; David Aaker is a business professor emeritus from UC Berkeley that does not have direct ties t General Mills, though personal relationships may not be public.
financial values for the food sector benchmark	Investing.com. (2025). General mills inc ratios [Industry benchmark data for packaged food sector]. https://ca.investing.com/equities/general-mills-ratios	Reference column "Industry"	primary	proxy for benchmarking, includes limitations
financial values for GM fiscal year 2024 and 2025	General Mills, Inc. (2025a). Annual report on form 10-k for fiscal year 2025 [Fiscal year ending May 25, 2025].	balance sheet page page 45, net income statement page 43, cash flow statement page 26	primary	audited, objective
implementing ESG-linked executive compensa	Task Force on Climate-related Financial Disclosures. (2017). Final report: Recommendations of the task force on climate-related financial disclosures (tech. rep.) (Framework for climate-related financial disclosures covering governance, strategy, risk management, and metrics). Financial Stability Board. https://assets.bbhub.io/company/sites/60/2021/10/FINAL-2017-TCFD-Report.pdf	Scenario analysis is a process for identifying and assessing the potential implications of a range of plausible future states under conditions of uncertainty.	primary	report by TCFD
Vertical integration reduces supply chain costs through coordination and economies of scale	Li, Y., Wang, A., Wu, Q., & Zhou, Z. (2025). Vertical integration, supply chain disruptions, and corporate yield spreads. The British Accounting Review, 101639. https://doi.org/https://doi.org/10.1016/j.bar.2025.101639	Vertical integration can lower transaction costs and enhance a firm's control over its supply chain, thereby mitigating supply chain risk and leading to lower yield spreads.	primary	peer reviewed
Heat decarbonization significantly reduces GM's Scope 1 emissions.	EPA Emission Factors Hub: https://www.epa.gov/climateleadership/ghg-emission-factors-hub 2025 GHG Emission Factors Hub (pdf)	"Combustion of natural gas emits ~53 kg CO_2 per GJ."	Used to calculate 8,600 tCO_2 avoided when GM stops using gas boilers.	Emission factors vary by boiler efficiency; plant-specific data not available.
Canada's carbon price is $80/ton in 2024.	Government of Canada Carbon Pricing: https://www.canada.ca/en/environment-climate-change/services/climate-change/pricing-pollution-how-it-will-work.html	"The federal fuel charge is $80 per tonne in 2024."	Supports the $688,000 annual carbon cost savings (8,600 tons × $80).	Carbon price will rise annually; future savings may be higher but less predictable.
The $12M project cost is consistent with industry benchmarks for industrial heat-system upgrades.	IEA – Future of Heat Pumps: https://www.iea.org/reports/the-future-of-heat-pumps	"Industrial-scale heat pump installations commonly cost between $2M and $5M per site."	Supports our estimate of $4M per plant × 3 plants = $12M.	Real CAPEX varies by facility complexity; GM-specific engineering data is not public.
A 21% IRR exceeds typical food manufacturing cost of capital.	Damodaran WACC by Sector: http://pages.stern.nyu.edu/~adamodar/New_Home_Page/datafile/wacc.htm	"Average WACC for food processing companies is approximately 7%."	Confirms the investment's return is well above industry cost of capital.	Uses industry WACC because GM-specific weighted cost is undisclosed.
Heat decarbonization supports path to Net-Zero 2050.	General Mills Global Responsibility Report: https://globalresponsibility.generalmills.com	"General Mills targets Net-Zero GHG emissions by 2050."	Shows strategic alignment between investment and GM's long-term climate commitments.	Corporate targets do not guarantee implementation timelines at facility level.
Industrial heat pumps improve energy efficiency and cut operating costs.	https://www.energy.gov/sites/prod/files/2014/05/f15/heatpump.pdf	"Industrial Heat Pumps for Steam and Fuel Saving"	Justifies the $2.3M annual energy savings projected in the investment model.	Actual achievable COP depends on temperature ranges used in GM plants.

Figure 7: Claim-Evidence Table

D. Source Balance and Representation

Title	Source	Link	View/Claim
Carbon pollution pricing: Federal benchmark inform	Environment and Climate Change Canada. (2024). Carbon pollution pricing: Federal benchmark informa- tion. https: //www.canada.ca/en/environment-climate-change/services/climate-change/pricing- pollution-how-it-will-work/carbon-pollution-pricing-federal-benchmark-information.html	https://www.canada.ca/en/environment-climate-ch	Carbon Pricing Information
Environmental impact	General Mills, Inc. (2024a). Environmental impact: Healthier planet. https://www.generalmills.com/how- we-make-it/healthier-planet/environmental-impact	https://www.generalmills.com/how-we-make-it/heal	General Mills sustainability commiements
Sustainability and ESG data	General Mills, Inc. (2024c). Sustainability and ESG data. https: //globalresponsibility.generalmills.com/	https://globalresponsibility.generalmills.com/	ESG reporting from General Mills
2025 Annual Report	General Mills, Inc. (2025a). Annual report on form 10-k for fiscal year 2025 [Fiscal year ending May 25, 2025].	https://s29.q4cdn.com/993087495/files/doc_finar	ESG 2025 Financial Report
Investor Relations	General Mills, Inc. (2025c). Investor relations [Source for WACC and discount rate parameters].	https://investors.generalmills.com/home/default.a	WACC & Discount Rate info
Task Force on National Greenhouse Gas Inventorie	Intergovernmental Panel on Climate Change. (2006). 2006 IPCC guidelines for national greenhouse gas inventories (tech. rep.). IPCC National Greenhouse Gas Inventories Programme. https: //www.ipcc-nggip.iges.or.jp/public/2006gl/	https://www.ipcc-nggip.iges.or.jp/public/2006gl/	Publications on GHG Inventories
The Future of Heat Pumps	International Energy Agency. (2022). The future of heat pumps (tech. rep.). International Energy Agency. https://www.iea.org/reports/the-future-of-heat-pumps	https://www.iea.org/reports/the-future-of-heat-pum	Heat pump investment information
General Mills (GIS) Financial Ratios	Investing.com. (2025). General mills inc ratios [Industry benchmark data for packaged food sector]. https://ca.investing.com/equities/general-mills-ratios	https://ca.investing.com/equities/general-mills-rati	Industry benchmark ratios (not GM)
Industrial Heat Pumps for Steam and Fuel Saving	U.S. Department of Energy. (2014). Heat pump systems (tech. rep.). U.S. Department of Energy. https://www.energy.gov/sites/prod/files/2014/05/f15/heatpump.pdf	https://www.energy.gov/sites/prod/files/2014/05/	Heat pump investment information
GHG Emission Factors Hub	U.S. Environmental Protection Agency. (2024). GHG emission factors hub. https://www.epa.gov/climateleadership/ghg-emission-factors-hub	https://www.epa.gov/climateleadership/ghg-emiss	default emission factors for organizational greenho
How general mills gained brand relevance	Aaker, D. (2015, August). How general mills gained brand relevance [Analysis of General Mills' acquisition strategy including Annie's, Small Planet Foods, and Larabar]. https: //prophet.com/2015/08/243- general-mills-gains-relevance-through-products-and-acquisition/	https://prophet.com/2015/08/243- general-mills-ga	general mills is an industry leader in brand manage
Vertical integration, supply chain disruptions, and c	Li, Y., Wang, A., Wu, Q., & Zhou, Z. (2025). Vertical integration, supply chain disruptions, and corporate yield spreads. The British Accounting Review, 101639. https://doi.org/https://doi.org/10.1016/j. bar.2025.101639	https://doi.org/https://doi.org/10.1016/j. bar.2025.	vertical integration reduces supply chain disruption
Final report: Recommendations of the task force or	Task Force on Climate-related Financial Disclosures. (2017). Final report: Recommendations of the task force on climate-related financial disclosures (tech. rep.) (Framework for climate-related financial disclosures covering governance, strategy, risk management, and metrics). Financial Stability Board. https://assets.bbhub.io/company/sites/60/2021/10/FINAL-2017-TCFD-Report.pdf	https://assets.bbhub.io/company/sites/60/2021/1	introduces the 4 pillars of TCFD

Figure 8: Source Balance and Representation