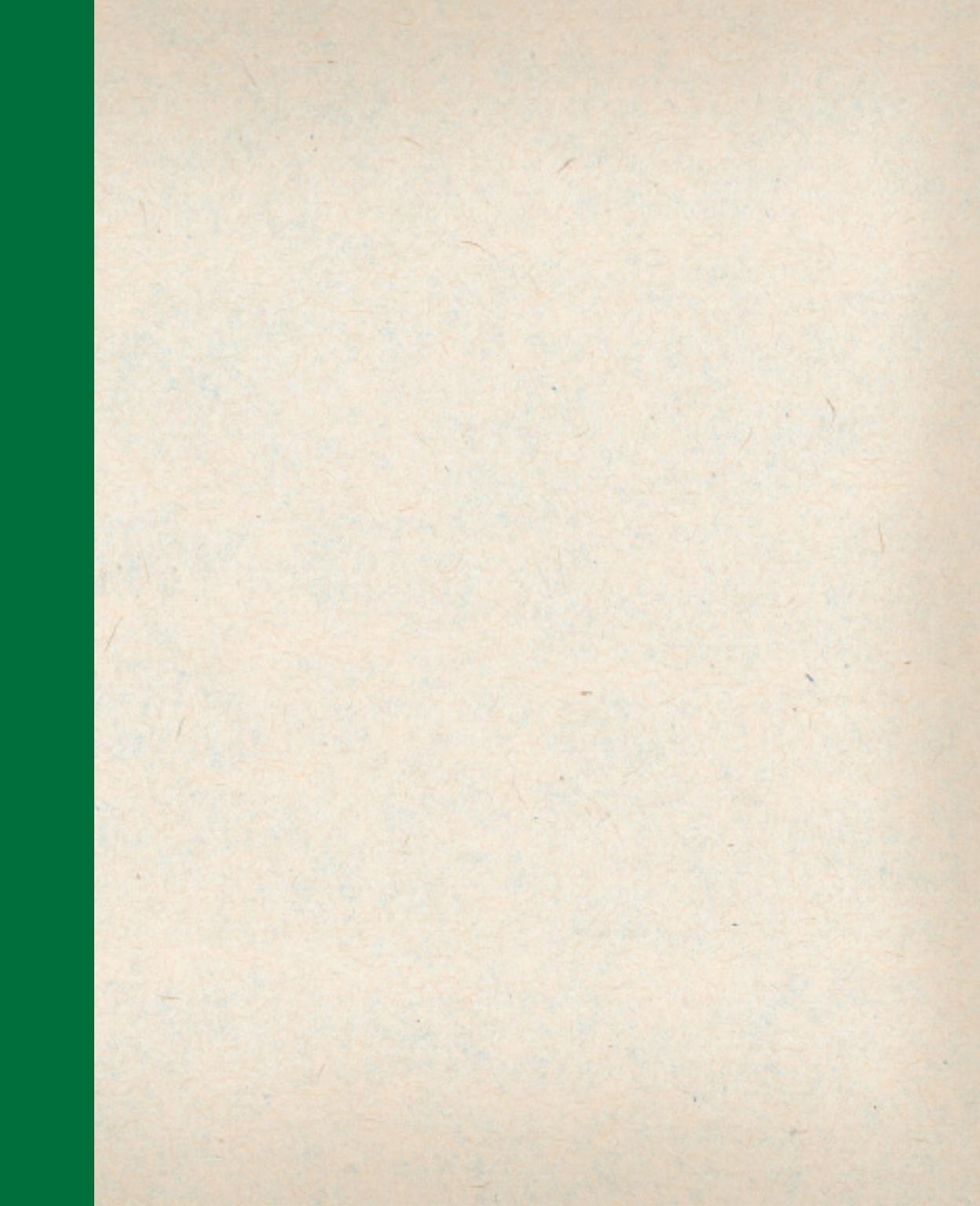


2005 Environmental Commitment

Doing Well
by Doing
Good



ConAgra Foods®
Sustainable
Development



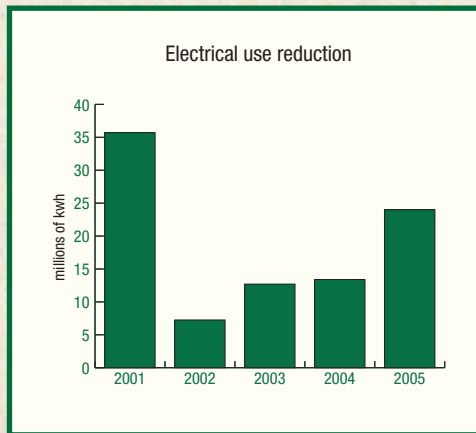
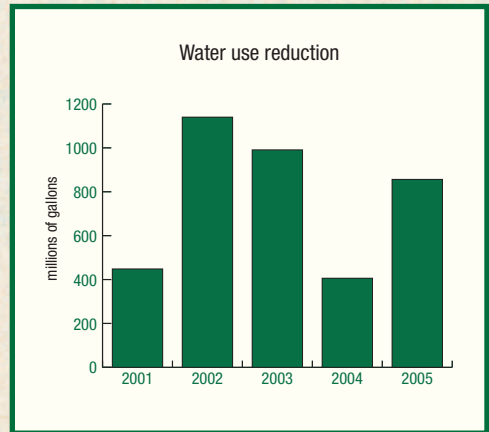
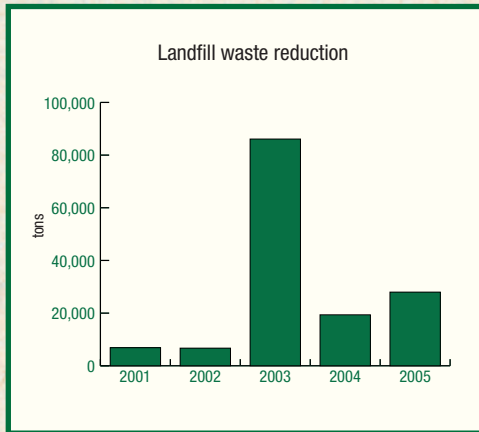
Environmental Commitment

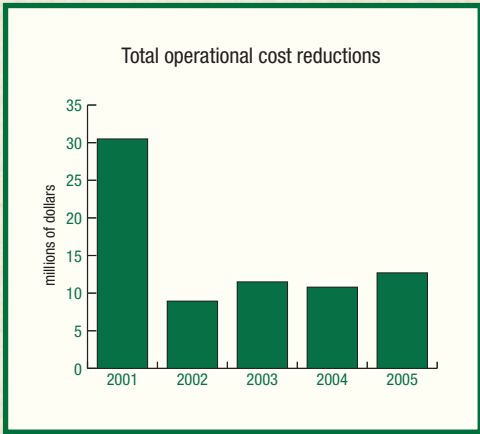
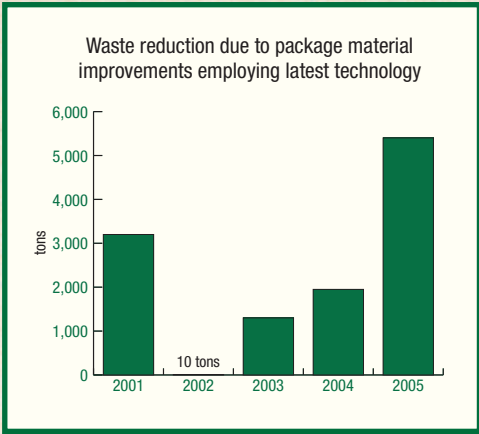
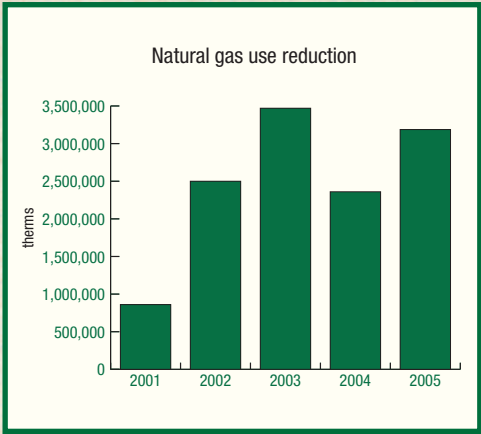
As ConAgra Foods continues to build brands and products that consumers trust and prefer, the company moves closer toward becoming America's Favorite Food Company. ConAgra Foods is also committed to improving its operations, packaging and technology to benefit both the business and the environment.



The Sustainable Development Program is fundamental to the way ConAgra Foods does business. Reductions in operating costs, improvements in production processes, and the sharing of best practices are just a few of the many benefits that are the result of hard work, diligence, and ingenuity of thousands of employees involved in Sustainable Development initiatives across the company. Beyond the benefits that can be measured in dollars and cents are those that serve to conserve and protect our natural resources and our environment.

One key to sharing best practices is the Sustainable Development award application process. Through this process, several projects have been identified that demonstrate through key measurements that doing the right thing for the environment is the right way to do business.





Each year, the ConAgra Foods Sustainable Development Program has a far-reaching impact on the environment, and also provides seed money to community environmental endeavors. The following are the stories about last year's Sustainable Development award-winning initiatives and the community projects the local ConAgra Foods facility chose to support.

Batesville, Arkansas

The ConAgra Foods plant in Batesville, Arkansas, is the largest producer of bone-in fried chicken in the world, supplying millions of pounds a year for Banquet®, Kid Cuisine® and other brands. That's a lot of frying, and a lot of frying oil – and, as it turns out, a lot of opportunity for sound environmental innovation. With some persistence, the Batesville team found a way to enhance the chemistry of the



frying oil to reduce the amount of free fatty acids – which in turn improved product quality. In so doing, the team reduced the amount of used frying oil going into the wastewater treatment plant and extended the oil's useful life. It also reduced air emissions, making the air quality inside and outside the plant better.



The Batesville facility donated its \$5,000 grant to the Independence County Recycling Center for the purchase of a paper/cardboard shredder. The timing couldn't have been better as the county's old shredder had broken and there was no machinery available to bale and recycle the more than 200,000 pounds of paper that comes to the facility each year.

Irvine, California

As the makers of many ConAgra Foods brands such as Chef Boyardee®, Hunt's®, Banquet® Homestyle Bakes® & Desserts®, Snack Pack®,



Wesson®, and Van Camp's®, the team in Irvine, California, focused on an opportunity to reduce packaging materials. It worked with a supplier to develop a new can-making process that requires less steel, while also making them more durable and lighter. This

resulted in reduced usage of source materials, reduced freight costs due to the lighter weight, reduced energy consumption in the manufacturing of the cans and, ultimately, less packaging going to landfills. Annually, the process uses about 1,957 fewer tons of steel and the financial savings is estimated at about \$1.6 million. Perhaps best of all, this innovative new packaging can be used at other locations as well.

The group donated its \$5,000 award to the Bolsa Chica Conservancy, a non-profit organization established to ensure the preservation, restoration, and enhancement



of the Bolsa Chica Wetlands in Huntington Beach, California. The money will be used in the conservancy's efforts to re-establish wetlands in former oil-drilling fields because more than 90% of Southern California's original coastal wetlands have been lost to development, making the remaining wetlands critical for wildlife, fish and migratory birds.

Naperville, Illinois

The team in Naperville, Illinois, (formerly of Downers Grove) doesn't actually make products, but working from a best practices concept, the



team conceived and carried out nearly 200 projects in 23 locations across the company. These projects resulted in considerable savings in energy consumption and costs, including water, electricity and natural gas. As a result of the energy projects initiated by the

team, plants reduced their annual water consumption by 1.26 million gallons; their annual consumption of electricity by 11.1 million kwh; and the consumption of natural gas by 25.6 million BTUs. The cost savings are more than \$1 million annually. Best of all, these best practices can be implemented by other operating groups at ConAgra Foods.

This team's \$5,000 donation went to the Morton Arboretum in Lisle, Illinois. The Arboretum's mission is to collect and study trees, shrubs and other plants; to display them across naturally beautiful landscapes for people to study



and enjoy; and to learn how to grow those plants in ways that enhance the environment. Specifically, the award money went for use in the Arboretum's West Side Flood Plain Restoration, a project to restore a flood plain by planting native Midwestern prairie grasses, making the flood plain more attractive and more hospitable for indigenous animals.

Quincy, Michigan

As it turns out, pasteurization isn't just for milk. After a lot of research and some environmentally sound thinking, the facility in Quincy,

Michigan, which makes hot dogs for Armour®, Butterball®, Eckrich®, Healthy Choice®, and Hebrew National® came up with a way to pasteurize salt-saturated water used in the plant's refrigeration processes.

The salt is needed because refrigerated water is poured over the hot dogs to cool them, and without the salt, this solution would freeze. The new process allows the brine to be used over several days; this ability to reuse the brine in turn reduces the plant's output of chlorides in the wastewater stream by 50%. Environmental officials welcomed the



innovation, which can be applied at other plants as well. The pasteurization process also reduces the amount of salt at the facility by 825,000 pounds each year, reducing waste and operational costs.

The Quincy Group donated its prize money to Allen Township for use in Allen Park, a scenic area close to the plant frequented by employees and residents alike. The money will be used for upkeep, beautification and upgrading of the facilities.

Park Rapids, Minnesota

The facility in Park Rapids, Minnesota produces a variety of Lamb Weston® and private label potato products, including French fries.



Because the plant is located in a watershed where water resources are closely guarded, the team at Park Rapids is always looking for new ways to reduce water usage. They scrutinized the overflow from the blancher (the machine that precooks the potatoes), with

the idea of somehow reusing it. As a result, the plant now saves more than 200,000 gallons of fresh water per day by reusing flush water from its three mainline blanchers. That adds up to more than 60 million gallons saved a year. Now after the potatoes are blanched, or precooked, the water is run through heat exchangers to recover heat for other hot water uses – which results in an energy savings. The flush water, previously discarded due to excessive heat, is now reused in the steam peeling system and other areas of the production process.

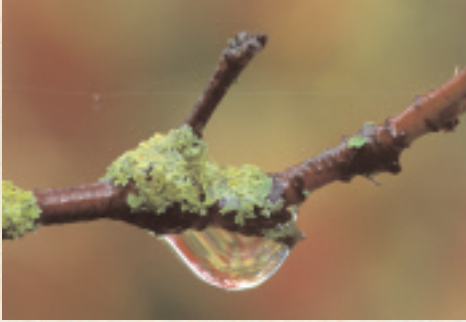


The Park Rapids facility donated its \$5,000 to the Park Rapids Wayside/Safety Rest

Area Project, adjacent to the Park Rapids Lakes Area Chamber of Commerce. Because of the donation, the rest area – a gateway to the Park Rapids Lakes area – will get new landscaping and a beautiful new “natural” look. The result will be a positive first impression of the community and strong message about the local commitment to the environment.

Macon & Marshall, Missouri

Though 90 miles apart, these two facilities teamed up seamlessly to find an environmentally advantageous solution for handling wastewater pre-

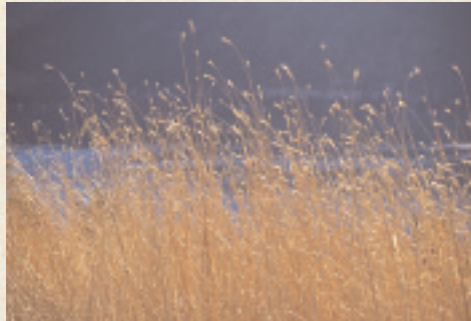


treatment by products. The ConAgra Foods plant in Macon, Missouri, bakes and fries chicken under the Banquet® name and provides cooked chicken to other ConAgra Foods plants for brands such as Healthy Choice® and Marie Callender's®. The

Marshall, Missouri, plant produces Banquet® pot pies and meals, Kid Cuisine® meals and Lunch Makers® portable lunches.

Macon was running out of capacity to handle the by products and landfill costs were increasing. The contract renderer for Marshall was going out of business and an alternative had to be found or production at the plant could have been affected.

Through a partnership with a land application contractor, the two plants initiated a program to use the by product as fertilizer. With crop yields higher and grasses growing better in treated fields, farmers are lining up to join the



program. Environmental officials are calling it a success. In addition, both plants have lowered operating costs as a result of the program and 5,000 fewer tons of material is going to local landfills annually.



Macon donated its half of the \$5,000 award to the Missouri Department of Conservation for the restoration of native grasses in the Atlanta Conservation Area. At 2,400 acres, the Atlanta Conservation Area is threatened by the spread of fescue, a non-native plant that grows too thickly to be good habitat for native species.

The Marshall facility donated its money to the Sheltered Workshop in Carrollton, Missouri, which provides mentally and physically challenged individuals with employment and also serves as a local collection point and processing center for the recycling of cans, plastics and cardboard.

Trenton, Missouri

The ConAgra Foods team in Trenton, Missouri produces Libby's® Vienna sausage, corned beef hash and sausage gravy; Wolf® and



Dennison's® chili; and several other products. With a goal of reducing natural gas and electricity usage, the team focused on several initiatives that spanned several processes and products. For example, it found ways to make its boilers run cleaner and also run less

often by encouraging more efficient use of the hot water used for cleaning and sanitation. The plant also achieved more efficient use of its high-capacity air compressor systems by plugging air leaks that may have seemed minor, but in aggregate caused the compressors to run more often than necessary. Additionally, modifications were made to the plant's heating system. Combined, more than \$417,000 is saved annually in energy costs.



The facility's \$5,000 award was used to build a walkway/trail system for the Trenton Beautification Project at their East Side

Park. Now, thanks to the scenic walkway, residents and visitors alike can easily enjoy the beauty of the area, which includes a playground, picnic areas and recreation fields.

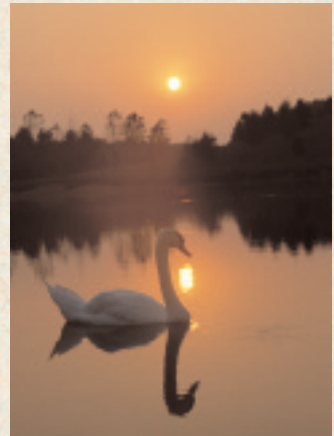
Lincoln, Nebraska

For the plant in Lincoln, Nebraska, which produces some 100 million pounds of Cook's® bone-in ham and 15 million pounds of other smoked meat

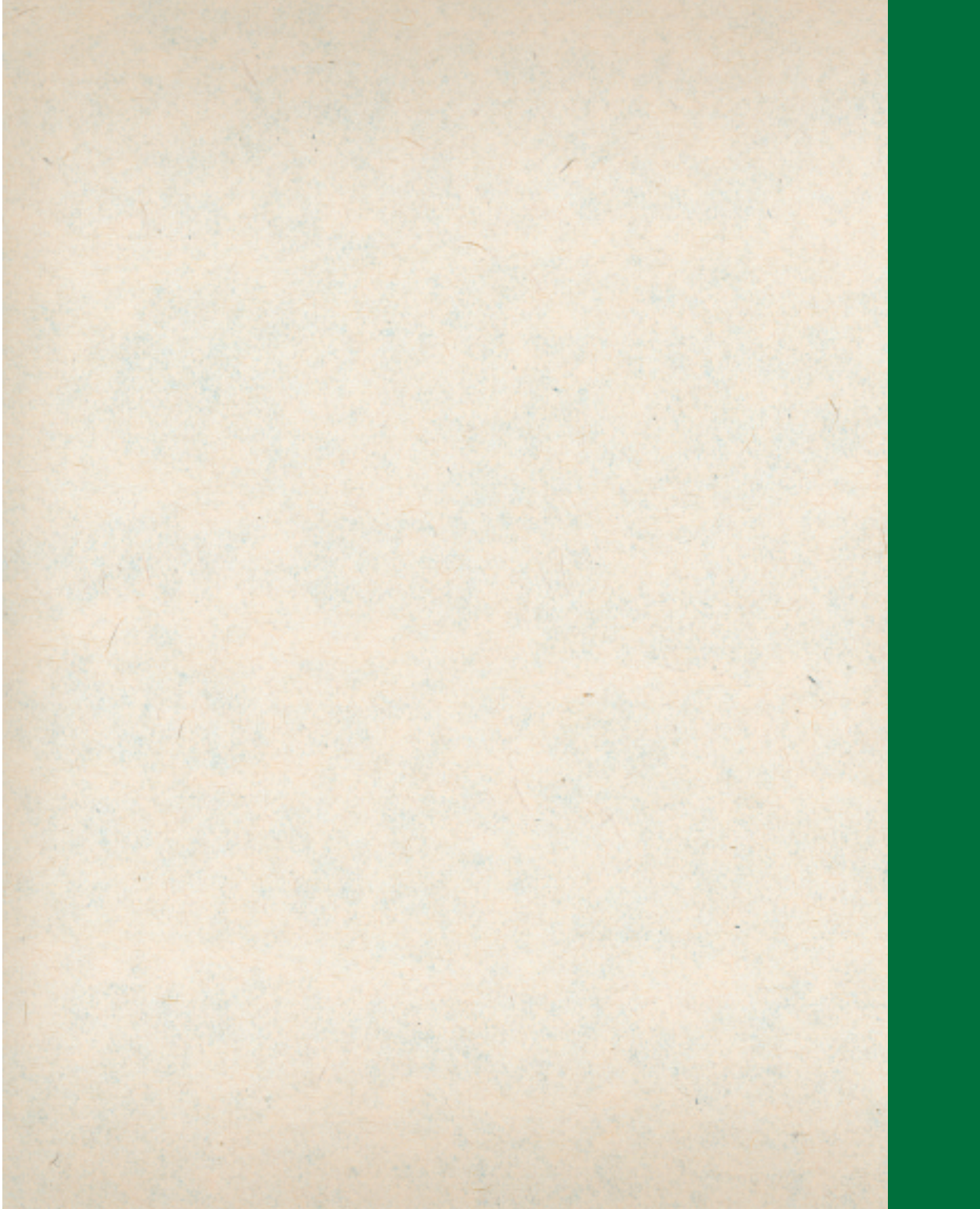


products each year, the path to savings and an enhanced relationship with the environment came down to something called a “nubbin,” which is the end piece of ham formed when the metal clip is attached.

For decades, the facility's bone-in hams were shaped with a cellulose casing that was closed on each end with metal clips. After processing, the ham nubbins, casings and metal clips were removed and transported to the local landfill. The system worked well, but the team at Lincoln believed there was a better way, which they found with a netting system that replaced the old casing system altogether. This simple change produced profound results. Now, because the metal clips are removed with the netting, the plant is sending 1.2 million pounds less material to the landfill every year. Additional benefits include that the ham nubbins can now be sent to the renderer and the process was able to become automated, which generated additional labor savings.



The recipient of the Lincoln team's \$5,000 Sustainable Development award is the Wachiska Audubon Society of southeast Nebraska, which for more than 30 years has worked to protect the area's birds, wildlife and habitat. Wachiska, a local chapter of the National Audubon Society, will use the money to continue its conservation and environmental education activities, helping residents and visitors enjoy and protect the natural beauty in Nebraska.





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