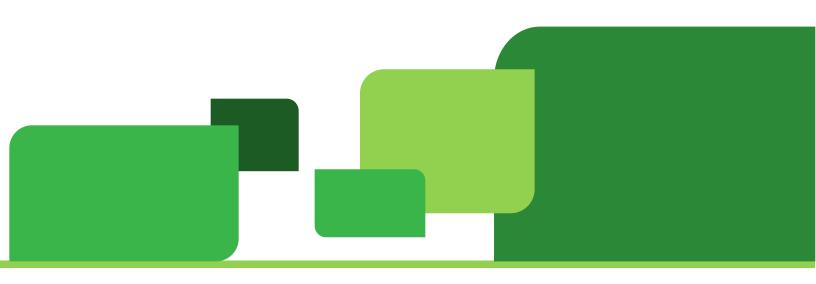
# Kellogg Company 2019 Wellbeing Milestones

2019 Reporting Year



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## **EXECUTIVE SUMMARY**

Our visionary founder, W.K. Kellogg, instilled in us the understanding that a critical part of running a good business also is doing good for society. In continuing his legacy, our company and business practices offer multiple benefits – including nutrition – to people, our communities and the planet by delivering on our Deploy for Growth business strategy.

An integral element of our business strategy is our Heart & Soul strategy that defines our approach to helping tackle some of the world's most significant and interconnected challenges, including wellbeing, hunger and climate resiliency. Nutrition, within a more all-encompassing commitment to overall wellbeing, is addressed across these priorities.

Our Heart & Soul strategy comes to life through our <u>Kellogg's® Better Days</u>™ global signature cause platform. Through our plant-based foods, Kellogg is driving growth through purpose – addressing food security and creating Better Days for 3 billion people. By the end of 2030, we have committed to:

- Nourishing 1 billion people with our foods;
- Feeding 375 million people in need with food donations and expanded child feeding programs;
- Nurturing people and our planet by supporting 1 million farmers (especially women smallholders and workers) and conserving natural resources across our value chain; and,
- Living our founder's values by engaging 1.5 billion people to help address the important issue of global food security by advocating on behalf of hungry children everywhere, ensuring an ethical supply chain and supporting diversity & inclusion.

Across these pillars, we consider three interconnected aspects of 21<sup>st</sup> century nutrition, what we call "wellbeing," – societal, emotional and physical.

• Physical wellbeing ensures that traditional nutrition harmonizes with a broader, more holistic approach that considers eating patterns, the importance of plant diversity, and delivery of nutrients of need.



- Our approach to emotional wellbeing concentrates on delighting the senses and bringing people together around a shared meal.
- Societal wellbeing addresses sustainable production and affordable nutrition. Because food security and the nutrition it delivers are intertwined with other major challenges. We must understand all the root causes of food security and work holistically to address them.

We're working toward United Nations Sustainable Development Goal (SDG) #2 – Zero Hunger, collaborating with others around the world to "end hunger, achieve food security and improved nutrition, and promote sustainable agriculture by the end of 2030." Kellogg is leading in myriad ways, including providing nutritious foods that nourish people in need around the world and, at the same time, nurturing the planet, with our plant-based foods.

## **OVERVIEW**

Today, more than ever, society places broad expectations and sizable demands on corporations, including Kellogg. We believe this is right. Our visionary founder, W.K. Kellogg, instilled in us the understanding that a critical part of running a good business also is doing good for society. That's why we've always worked hard to make sure that our company and business practices give benefits to people, our communities and the planet. We're doing so by delivering on our Deploy for Growth business strategy.

#### **Purpose**, Vision

Our company's purpose is to nourish families so they can flourish and thrive to fulfill our vision of enriching and delighting the world through foods and brands

#### **Deploy for Growth Business Strategy**

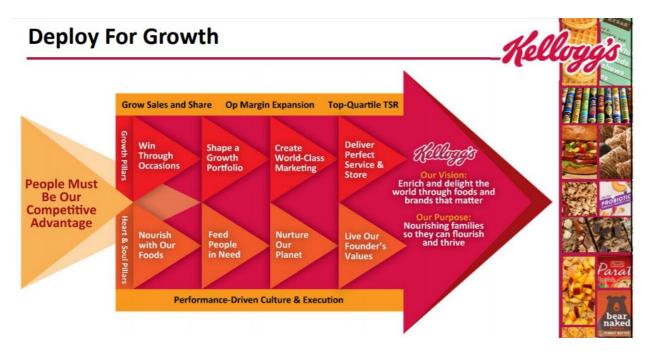
Our Deploy for Growth business strategy clearly articulates how we will succeed as a company, by wining through occasions, shaping a growth portfolio, creating world-class marketing and delivering perfect service and perfect store.

An integral element of Deploy for Growth is our Heart & Soul strategy that defines our approach to helping tackle some of the world's most significant and interconnected challenges, including wellbeing, hunger and climate resiliency. To do so, we are nourishing people with our foods, feeding people in need and nurturing

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our planet, all while living our founder's values. Nutrition, within a more allencompassing commitment to overall wellbeing, is addressed across these pillars.

Being a company with a Heart & Soul matters to us. It also matters to our investors, customers, the people who enjoy our foods and others. It especially matters to our employees. That's why our Heart & Soul – including our more than 100-year commitment to nutrition – is foundational to our Deploy for Growth business strategy. We simply cannot succeed if we don't collectively win in the marketplace and make a difference in people's lives.



Our business strategy acknowledges the priorities set out in the <u>World Health</u> <u>Organization Global Action Plan for Prevention and Control of Noncommunicable</u> <u>Diseases</u> and aligns with the <u>United Nations' Sustainable Development Goals</u> (SDGs). We've identified the following six priority SDGs around which the vast majority of our work is aligned. We also contribute to the remaining 11 SDGs.





We're humbled that, as a result of our efforts, Kellogg has been recognized with some of the highest honors including those from the <u>Dow Jones Sustainability Index</u>, <u>FTSE4Good</u>, the <u>Corporate Human Rights Benchmark</u>, <u>Ethisphere's World's Most</u> <u>Ethical Companies</u>, and the <u>MSCI ESG Leaders</u> and <u>ECPI Group</u> indices of companies with the highest environmental, social and governance (ESG) ratings in each sector of the parent index.

#### Kellogg's® Better Days

W.K. Kellogg was a man ahead of his time. Long before corporate purpose was mainstream, he understood that companies operate with the permission and endorsement of society. We are proud to continue this work today. The number of people affected by food insecurity, including malnutrition and obesity, is staggering and Kellogg is in a unique position to help get nutritious food to people who need it.

The Heart & Soul strategy of our Deploy for Growth business strategy comes to life through our <u>Kellogg's® Better Days</u> global signature cause platform. Through our plant-based foods, Kellogg is driving growth through purpose – addressing food security and creating Better Days for 3 billion people by the end of 2030. We have committed to:

- Nourishing 1 billion people with our foods;
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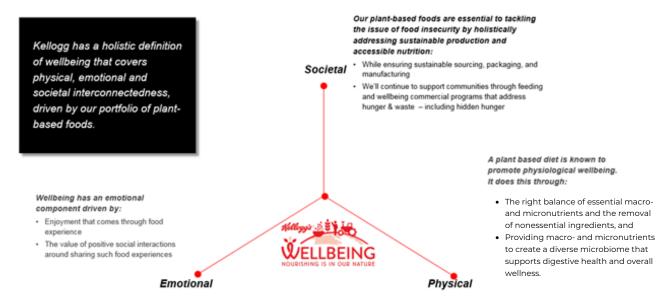


## NOURISHING WITH OUR FOODS: OUR WELLBEING STRATEGY

Our founder, W. K. Kellogg, was an original wellbeing visionary. He understood the important role plant-based foods play in our overall wellbeing, including the benefits of a plant-based diet on a broader world. Today, we continue his passion for nourishing people with our foods by considering three interconnected aspects of 21<sup>st</sup> century nutrition, what we call "wellbeing," – societal, emotional and physical. Kellogg specializes in grains and fiber, the cornerstones of a healthy biome

From a societal perspective, we're addressing food security and increasing access to nutrition by supporting biodiversity and a more sustainable food supply through our plant-based foods and sustainable packaging. From an emotional perspective, food brings people together. This togetherness fosters community and connections that enrich our lives. To support physical wellbeing, we are crafting foods that address nutrients of need and support gut health. This approach is important as it aligns with our Deploy for Growth business strategy and guides our *Kellogg's® Better Days* commitment to nourish 1 billion people with our foods by the end of 2030.

#### KELLOGG COMPANY WELLBEING PRINCIPLES





#### **Physical Wellbeing: 21st Century Nutrition**

Kellogg Company's approach to physical wellbeing ensures that traditional nutrition harmonizes with a broader, more holistic approach that considers eating patterns, the importance of plant diversity, and delivery of nutrients of need. Our rich heritage in health and wellness includes a clear strength in innovating new foods and communicating their health and wellbeing attributes. For example, as people demand more foods with fiber and plantbased protein, we're leveraging our commitment to physical wellbeing to deliver both. As the science has emerged, we find ourselves reflecting back to the philosophy of our founder, W.K. Kellogg, who understood the merits of plant-based eating more than 100 years ago.

The <u>benefits of a plant-based diet</u> have been well documented in scientific literature and interpreted through public health policies throughout the world. As the science has emerged, we find ourselves reflecting back to the philosophy of our founder, W.K. Kellogg, who understood the merits of plant-based eating more than 100 years ago. Our work in this space is a commitment to the future, as well as a nod to our past.

Today, 86% of our portfolio is comprised of plant-based foods, including ready-to-eat cereal and other grain-based foods that can be foundational in building diverse plant-based diets. Ready-to-eat cereal also is considered a "vehicle" food, in that it is often eaten with milk, fruit, nuts and seeds, thereby further increasing consumption of plant-based ingredients and other good-for-you foods.

86% of our company's portfolio is plant-based, including our cereals, snacks and meat alternatives.

Our company has a legacy of delivering innovative, transparent and consumerrelevant nutrition solutions. Our founder revolutionized the food industry by creating a better-for-you breakfast category, providing accessible, affordable nutrition through grain-based, ready-to-eat-cereals. We also led the industry in advancing



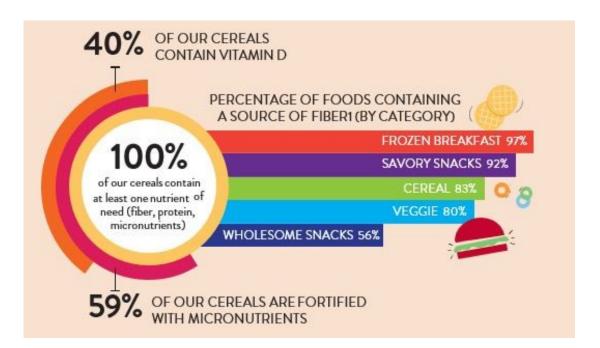
fortification and delivering value-added nutrition messaging. In fact, Kellogg was the first company to include nutrition labeling on packaging.

In addressing physical wellbeing, we're focused on:

- The right balance of essential macro- and micronutrients and the removal of nonessential ingredients, and
- Providing macro- and micronutrients to create a diverse microbiome that supports digestive health and overall wellness.

#### Addressing Nutrients of Need

Today, we are committed to ensuring our foods <u>address nutrients of need</u> for people around the world. While these needs vary by region and even within different demographics, we Kellogg uses an internal nutrient profiling system to evaluate our foods. Our approach has been rolled out globally and, in 2019, a global, regional and category baseline were created. Using this framework, we will continue to assess our foods and brands against this internal metric and measure our progress over time.



We frequently conduct thorough global, regional, local and segment-specific assessments of our foods and brands to ensure we reflect the needs and wants of consumers. These ambitions reflect public health needs and scientific understanding. For example, our cereals in Latin America are fortified with vitamin D, Iron and B Complex vitamins, while in the U.S. we continue to concentrate on folate and iron to support the Women Infants and Children (WIC) program.



These efforts take two paths. The first is ensuring that our foods deliver nutrients of need to help address common nutrient shortfalls in our markets. The second consideration is addressing hidden hunger, or malnutrition due to the lack of essential vitamins and minerals. To do so, we're increasing important nutrients in key places in our portfolio, including Vitamins A and D, fiber, iron and others. We're also creating new recipes that reduce nutrients we need, less of, such as sugar, sodium and saturated fat.

For example:

- All our cereals now include at least one nutrient of need, whether that be fiber, protein or micronutrients. Specifically, 83% contain a source of fiber<sup>1</sup>, 59% are fortified with micronutrients and 40% contain vitamin D.
- Additionally, 56% of our wholesome snacks are a source of fiber<sup>1</sup>, as are 97% of our frozen breakfast, 92% of our savory snack and 80% of our veggie offerings.

Around the world, our teams are addressing the nutrients in our foods:

- All cereals produced in Australia now deliver shortfall nutrients B6 and Zinc.
- We further reduced the sugar and sodium in *Kellogg's® Nutri-Grain®* cereals sold in Australia and New Zealand and *Kellogg's Coco-Pops®* cereals sold in the Middle East, North Africa and Turkey.
- Kellogg Canada reduced the sodium in Eggo® Original Waffles.
- In South Korea, we launched new *Kellogg's Protein Granola*® and in Southeast Asia we reformulated *Kellogg's Corn Flakes*® to provide 50% of the daily iron requirement for 7-9-year-old children in Thailand.
- Across Europe, our W.K. Kellogg® cereals and granolas made with no added sugar continue to increase in popularity and were named the 2019 cereal product of the year by Campaign. We also introduced W. K. Kellogg for Kids®, the first no-added sugar for children, made with fruits, vegetables and wholegrains and high in fiber. And we launched Kellogg's Special K Immune Support®.
- Also in Europe, we introduced three new varieties of *Kellogg's Extra*® crunchy muesli with no added sugar.

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<sup>&</sup>lt;sup>1</sup> Source of fiber is defined as at least 3g fiber per 100g, <u>Codex Alimentarius</u>. Fiber nutrient content standards vary by country.

 In the U.S., we've added new high-iron cereals to those approved by the Special Supplemental Nutrition Program for Women, Infants and Children's (WIC) – Kellogg's® Special K® Banana and Kellogg's Frosted Mini-Wheats® Strawberry and Blueberry.

We are proud to be part of the International Food & Beverage Alliance commitment on saturated and trans fats. We've reduced trans fats in our foods for nearly 10 years, and we continue to seek ways to reduce or eliminate partially hydrogenated oils (PHOs) in the small percentage of our foods that have them. In the U.S., we've reached 100% compliance with our PHOs target and globally, more than 95% of our *Kellogg's*® branded foods have 0g trans fat and contain no PHOs. We aspire to maintain this impressive performance.

#### Supporting Digestive Wellness

More than 100 years ago, Kellogg created the world's first breakfast cereal with nutrition in mind. Our first recipe was based on an understanding and passionate belief in the nutritional benefits of eating fiber-rich grains. In 1915, we introduced *Bran Flakes*, the world's first high-fiber cereal, and *Kellogg's® All-Bran®* one year later.

More than a century later, the scientific community is increasingly understanding the role of the <u>microbiome</u> and its importance in maintaining diversity in each of our biomes. The emerging science on gut health is spotlighting its relationship with many physiological aspects of health. We know that eating a high-fiber breakfast cereal each day can have a positive impact on the gut microbiome of

Kellogg specializes in grains and fiber, the cornerstones of a healthy biome.

healthy adults. Kellogg specializes in grains and fiber, the cornerstones of a healthy biome. As a company, we have made strategic investment choices, along with structural and process changes, to further our commitment to physical wellbeing. Many of our brands around the world support gut health. Popular foods, including *Kellogg's Frosted Mini-Wheats*® and *Kellogg's Raisin Bran*® cereals, are great ways to increase fiber intake. And more than 100 years after its introduction, *Kellogg's*® *All-Bran*® remains a popular fiber-rich food that supports gut health around the globe.



Although fiber is the main fuel source for the microbiome, fiber intake remains woefully low across the globe<sup>2</sup>.. Kellogg recognizes this shortfall and continues to introduce new plant-based foods and offer longtime favorite cereals with fiber. We introduced several new foods to support microbiome health in 2019, including *Kellogg's Nutri Digest*® in Latin America and *Kellogg's All-Bran Prebiotic*® *Oaty Clusters* in the U.K. These foods help people to achieve their adequate dietary fiber intakes for optimal health.

The gut microbiome and digestive health are dynamic fields of research and learning. In 2019, Kellogg developed publications to strengthen the scientific community's understanding of the importance and contribution of plant fibers, particularly cereal grain fibers, for nourishing the gut microbiome. First, Kellogg U.K. sponsored and published a systematic literature review of clinical trials<sup>3</sup> which specifically studied cereal grain fibers and their effect on gut microbiome composition and function.

We learned that in the majority of trials, 39 of 42, cereal fibers increased microbiota diversity or abundance. Building on this publication, Kellogg sponsored a Focus Issue on microbiome science translation in Nature Reviews, which featured expert reviews and a Kellogg-authored advertorial on Grain Fibers for Gut Microbiome Health<sup>4</sup>. The Kellogg publication demonstrated an ongoing commitment to using evidence-based science as our guide to deliver nutrition through plant-based foods. It also showcased Kellogg Company's long history of actively supporting research to understand the importance of fiber-rich foods and diets for health

A Kellogg-authored advertorial on Grain Fibers for Gut Microbiome Health demonstrated an ongoing commitment to using evidence-based science as our guide to deliver nutrition through plantbased foods.

and wellness. This Focus Issue has had more than 50,000 page views to date.

As consumers become more knowledgeable, they, too, are making the connection between gut health and overall health and seeking foods to improve their digestive wellness and limit digestive distress. Kellogg is committed to supporting digestive

<sup>&</sup>lt;sup>4</sup> Hughes, Nigel (2019, November) Grain Fiber for Gut Microbiota Health: Putting Research into Practice. Nature Magazine <u>https://www.nature.com/articles/d42473-019-00345-8</u>.



<sup>&</sup>lt;sup>2</sup> Lancet 2019; 393: 1958–72. Health effects of dietary risks in 195 countries, 1990–2017: A systematic analysis for the Global Burden of Disease Study, 2017

<sup>&</sup>lt;sup>3</sup> Kellow NJ et al. Brit J Nutr 111, 1147–61 (2014).

wellness through our product portfolio. Today, 83% of our portfolio provides fiber<sup>5</sup>. Another way to help people with gut friendly choices is via low FODMAP (Fermentable Oligo-, Di-, Mono-saccharides and Polyols) foods<sup>6</sup>. Kellogg partnered with Monash University to have some of our foods tested and certified as low FODMAP.

Kellogg also leverages marketing and advertising to communicate the functional health benefits of our foods to broad audiences. The "Did You Know" cereal marketing programs in Canada and the U.S. have highlighted cereals providing fiber while in Australia, our marketing asks people, "Is Your Gut Fiber Fit?" and encourages fiber consumption, aiding consumers in their search and selection of high fiber foods. Moe information on both programs is included below.

Kellogg Company's heritage is rooted in wellbeing. We understand the importance of proper nutrition and the positive impact it can have on people's lives. With that in mind, we see the value that digestive health plays in overall wellbeing. We are committed to supporting increased consumer understanding of digestive health and wellbeing as people become savvier about the critical role gut health and the microbiome play in overall health. We also are committed to creating foods that include fiber and to continued collaboration with academia, industry, Kellogg Company's heritage is rooted in wellbeing. We understand the importance of proper nutrition and the positive impact it can have on people's lives.

regulators and local communities to continue work toward a shared goal of improved nutrition and health for all.

#### **Encouraging Healthy Lifestyles**

Kellogg Company is committed to supporting healthy eating, nutrition education, and active lifestyle programs for individuals and local communities. This includes programs that are developed and implemented by independent groups and our own programs. As part of our holistic approach to wellbeing, we have committed to contributing to a healthier world through a journey of continually developing better breakfast foods and encouraging a healthy and active lifestyle, aligned to U.S. dietary

<sup>&</sup>lt;sup>6</sup> <u>https://www.monashfodmap.com/</u>.



<sup>&</sup>lt;sup>5</sup> Source of fiber is defined as at least 3g fiber per 100g, <u>Codex Alimentarius</u>. Fiber nutrient content standards vary by country.

guidelines. We're committed to enabling people to make informed choices that meet their dietary needs. To meet these commitments, we support many programs across all markets that support a healthy balanced diet with fruits and vegetables, as well as active lifestyles. For example:

- Since 2011, Kellogg Latin America has built a strong nutrition-education digital platform based on our commitment to nutrition science. We know people are interested in learning more about what they eat but are often confused by the widely varying information available. Since 2016, Kellogg Latin America has promoted nutrition information through social media and provides patientfriendly messages for health care professionals (HCPs) in Mexico and Colombia. Recognized health and nutrition associations in the countries often contribute and share this content on their channels.
- In Mexico, our nutrition team collaborated with our sales and marketing teams to develop a school program, under the initiative *Breakfast for Better Days*, to educate students and their families on the benefits of a balanced breakfast. The team shared important principles about healthy eating and the importance of breakfast at public schools. Students and their families were challenged to eat a complete breakfast every day, establishing a healthy lifelong habit that is currently not common in Mexico. At the conclusion of the program, results revealed improvements in nutritional knowledge and adoption of healthier lifestyles. The pilot started in October 2016. In 2019, the program was rolled out in three cities reaching more than 430,000 children and families. The program has become quite popular among school communities and is an award-winning effort.
- Kellogg U.S. reached out to 2,500 pediatric Health Care Professionals to align and collaborate on a more holistic approach to childhood wellbeing, beyond the current focus of individual nutrients and ingredients. The effort included promotion of nourishing eating patterns, better social connectivity and improved food security. Included in the correspondence were examples of wellbeing education materials; opportunities on how to leverage strategic partnerships and resources for greater participation in federal feeding programs such as the U.S. Supplemental Nutrition Assistance Program (SNAP), U.S. Women Infants and Children (WIC) and K-12 School Based Program, U.S. National School Lunch Program, after school programs and the U.S. Child and Adult Care Food Program (CACFP) programs; and a survey assessing the needs of pediatricians and how Kellogg can partner with them to improve child wellbeing.



 In Canada, we are continuing our longstanding commitment to showcasing the cholesterol-lowering benefits of psyllium fiber found in *Kellogg's All-Bran®* Buds cereal by providing health care professionals (HCPs) across the country with bilingual materials in English and French. By providing HCPs with educational materials grounded in science, we are engaging key influencers with important and easy to understand facts.

## Advancing Health through Product Development and Reformulation

Kellogg continues to invest in research and development – including innovation and reformulation – to improve the nutritional quality of our foods, addressing nutrients of need and supporting a healthy gut microbiome. Our global teams assess existing use of key ingredients and nutrients within foods and regions. These teams then partner with regional team members to develop a prioritized plan and identify the investment needed to invent a robust set of new food technologies capable of delivering category-leading plant-based options, like, for example lower sugar choices in kids' ready-to-eat cereals. There are currently active projects in multiple markets leveraging these tools.

As new foods are introduced, they are supported with claims, communications, marketing and in-store activations to bring important new information to consumers. Learn more in the "Leveraging Brands to Drive Wellbeing" section.

Following are highlights of some of notable Nourishing with our Foods projects in each region. Through our global strategy and regional execution, we have made progress across many of our brands.

## HIGHLIGHT

#### Innovating to Address Physical Wellbeing in the U.S.

Kellogg U.S. has been making strides advancing our wellbeing strategy, continuing to innovate to ensure that people who choose our foods are getting sufficient nutrients. Our new *Kashi by Kids*® foods are leading this effort. In 2019, *Kashi* launched a new line of cereals and snacks with single-digit grams of sugar per serving, and a group of Gen Z leaders helped develop and launch the foods. Three cereals Kashi launched a new line of cereals and snacks with single-digit grams of sugar per serving, made for kids, by kids.



were made for kids, by kids: Berry Crumble, Honey Cinnamon and Cocoa Crisp. Each cereal uses simple organic, plant-based ingredients, including superfood ingredients like purple corn, red lentils and chickpeas.

Many of our most popular brands also are innovating and reducing sugar as they reformulate. For instance, our U.S. *Kellogg's® Froot Loops®* and *Kellogg's® Frosted Mini Wheats®* cereals both reduced grams of sugar per serving in 2020. Also following reformulation, the entire line of *Kellogg's® Frosted Mini Wheats®* cereals now aligns to the U.S. Women's Infants and Children's (WIC) program nutrition requirements, offering more options to lower-income families.

Additionally, we're encouraging the consumption of fresh foods – like milk and fruits – with our cereals to reinforce the of positive eating patterns by providing coupons and promotions for these foods to shoppers who purchase our *Kellogg's® Rice Krispies®* and other cereals.







## **HIGHLIGHT** Bringing Gut Health to Life Via a Bacteria Zoo

We know that a diverse plant-based diet helps provide essential macro and micronutrients that are important for gut health and to promote gut microbiome diversity. Diet is one of many factors which can influence the gut microbiome, including consumption of fiber, prebiotics and probiotics to support digestive wellness.

The Kellogg Australia & New Zealand team was keen to unlock the potential that fiber can have in support of the microbiome. After conducting extensive scientific reviews



into the role of fiber and the positive effect on the gut microbiome, they unlocked the science with a unique consumer-education campaign. This campaign was

designed to communicate the potential of fiber from grains in feeding the good bacteria in the gut and was deeply rooted in behavioral economics to drive the messaging.

Educating people about the bacteria in their gut is challenging given that it's a new concept for them. The team decided to bring the gut bacteria to life in a unique and interactive way so people could visualize the wildlife within their own bodies. They built the world's first functional zoo displaying animatronic gut bacteria that could interact with visitors, move and even glow under UV light. Animatronic experts built these bacteria to move, make sounds and provide something people could finally see with their own eyes. The "live" bugs fascinated both children and adults who interacted with the Bifidobacterium, Lactobacilli and Streptococci. The gut bacteria zoo was extremely popular and almost 12,000 visitors went through the exhibit in Sydney. The Zoo was then transported to New Zealand and it proved to be a hit there as well.

The Australia and New Zealand teams have further committed to this educational piece year on year with a number of activities highlighting the importance of feeding the good bacteria to maintain digestive balance in the gut. This includes two television commercials spreading the message to people that "Fiber feeds the good bacteria in your gut."

Brands participating in the campaign had to meet strict criteria for grain fiber content and included *Kellogg's® All-Bran®*, *Kellogg's Sustain ®*, *Kellogg's® Special K®*, *Kellogg's Just Right®* and *Kellogg's Sultana Bran®*.

## HIGHLIGHT

#### Partnering to Support People Seeking Low FODMAP Foods

We know that people are increasingly interested in gut health and digestive wellness. With this in mind, we proactively seek partnerships that support consumer's desire for digestive wellbeing. Along with general foods for gut health, specialty diets like the low FODMAP (Fermentable Oligo-, Di-, Mono-saccharides and Polyols) diet help people who do not as easily digest and absorb some foods<sup>7</sup>.

<sup>&</sup>lt;sup>7</sup> <u>https://www.monashfodmap.com/</u>



Following years of research, Monash University developed a low FODMAP diet that involves cutting out all high-FODMAP foods, then slowly reintroducing each of them separately to determine which foods are better tolerated. As people experiment with the diet and attempt to find certified low FODMAP foods, Kellogg offers accessible and affordable options that fit their lifestyle.





Monash has certified several of our U.S. cereals as low FODMAP under their certification program and added them to its app, enabling easy-shopping and more selection for FODMAP seekers in the cereal aisle. *Kellogg's*® low FODMAPOcertified cereals enjoy robust distribution and can serve as either part of a meal or snack options for people who are exploring the low FODMAP diet plan.

The certified cereals in market include Kellogg's® Rice Krispies®, Kellogg's® Frosted Krispies®, Kellogg's® Cocoa Krispies®, Kellogg's® Strawberry Krispies®, Kellogg's Whole Grain Brown Rice® in K-12, Kellogg's Corn Flakes®, Kellogg's Crispix®, Kellogg's Frosted Flakes®, Kellogg's Chocolate Frosted Flakes® and Kellogg's Special K® Original. Kellogg also added the Monash University low FODMAPcertified™ icon on our cereal packaging in 2019 to enable those who may be FODMAP seekers identify foods without the app

In Australia and New Zealand, our low FODMAP foods use an additional certification system well understood by people in that region. Brands such as *Kellogg's Corn Flakes®* and *Kellogg's Rice Bubbles®* display the FODMAP Friendly logo to indicate that they are low in FODMAPs.



### **HIGHLIGHT** Reducing Sugar in Europe

We are committed to providing people with more of what they want in our foods, like fiber and visible grains, and less of what they don't, like salt and sugar. Through our ongoing sugar-reduction program, Kellogg Europe has now reduced the sugar in *Kellogg's*® *Coco Pops*® by 50%, as part of a two-phased reformulation process.



*Kellogg's*® *Coco Pops*® is one of the many popular brands in the Kellogg Europe portfolio that has been transformed. The sugar in our *Kellogg's*® *Rice Krispies*® cereal also has been reduced by 20% . These reductions are aligned to the regional dietary guidelines, but more critically, meet people's expectations for our foods. Because consumers and their preferences are at the heart of all that we do, we spend a lot of time working with them, testing and learning about how important reformulations like these impact their preferences. Listening to consumers taught us that they like the reformulated foods just as much as the previous recipes. These learnings are both inspirational and encouraging and inform continued innovation and reformulation.

Reducing sugar is one aspect of the Kellogg Europe Better Starts Plan. The business also is reducing salt, adding organic and whole-grain ingredients and removing artificial preservatives.

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### HIGHLIGHT

#### Away from Home K-12 Business Unit in the U.S.

In addition to cereal, Kellogg provides more than 70 foods to schools in our U.S. Away from Home K-12 business unit portfolio. These include wholesome bars, graham crackers, pancakes, waffles and plant-based proteins that meet rigorous nutrition guidelines for the School Breakfast Program (SBP), National School Lunch Program (NSLP), Smart Snacks and after-school feeding programs to nourish kids throughout the day.

Keeping students happy and healthy is an important job, so we've made it simple for school foodservice teams to satisfy students' cravings and meet United States Department of Agriculture (USDA) requirements with foods that are delicious and nourishing. With recipe inspiration, engaging programs and the brands kids know and love, we provide operators with recipes, menu concepts, culinary videos, wellbeing and sustainability tips to take the burden of menu planning and recipe development off their shoulders.

Kellogg is passionate about innovation. And we're dedicated to reformulating foods to give school foodservice operators more of the ingredients they want and less of the ones they don't. Our foods meet USDA guidelines, while also exceeding students' expectations with great-tasting, high-quality options that encourage school meal participation. The breakfast portfolio for K-12 includes whole grain-rich *Kellogg's*® *Eggo Minis*®, which have flavors students love and now come with Thaw and Serve claims that allows operators flexibility in serving. The snack portfolio for K-12 was enhanced with the addition of whole grain-rich *Cheez-It*® and *Kellogg's*® *Rice Krispies Treats*®. The introduction of USDA Child Nutrition Labeled plant-based protein options such as the *Morningstar Farms*® *Chik'N Nuggets* in the K-12 portfolio has allowed operators to incorporate plant-based alternatives in place of traditional menu staples for breakfast, lunch and supper.

#### **Recognizing Nutrition Leadership**

Kellogg recognizes leadership in nutrition around the world via sponsorships with key partners that supports researchers and innovators in the field. Following are examples of this leadership in action.

1. The Kellogg International Prize in Nutrition is awarded each year to a nutrition professional actively engaged in research to benefit populations in non-industrialized countries, as demonstrated through publications in the



scientific literature, and actively engaged in training new scientists for international nutrition research. Kellogg has sponsored this award since 1994 through the American Society for Nutrition (ASN). The awardee is determined by an ASN led process.

- 2. The W.K. Kellogg International Food Security Award & Lectureship is given each year, at the annual Institute of Food Technologists (IFT) meeting, to recognize a researcher working in academics, research institutes or the government, regardless of geographic origin, whose outstanding efforts result in one or more of the following:
  - Enabling and increasing access to nutritious food in non-industrialized countries;
  - Developing emerging technologies and/or research that addresses nonindustrialized countries food needs, food safety and food security; and/or
  - Contributing toward the technological development in one or more local food industries to foster economic development in non-industrialized countries.

Kellogg has sponsored the award since its inception in 2012. The awardee is determined by an IFT-led process.

These awards are representative of our recognition of the important role of cuttingedge nutrition & food-science research. This work advances the future of human health, food security and a sustainable food supply. We recognize the important role of science and support public-private research collaborations and the achievements of research pioneers by supporting these grants and awards.

Kellogg also sponsors the American Society for Nutrition's (ASN) international investigator travel awards, recognizing three young, international investigators who have submitted high quality, new, original research to a global nutrition category. Awardees are determined by an ASN-led process.

Additionally, Kellogg sponsors the Cereals and Grains Association (previously American Association of Cereal Chemists) Nutrition Division Best Student Research Award for Grain Nutrition Science. This award recognizes four students presenting high-quality nutrition research on the benefits of grains with travel grants to attend the annual meeting. Kellogg has sponsored this award since 2015. Awardees are determined by a Cereals and Grains Association-led process.

In Latin America, through our <u>Apoyo a Proyectos de Investigación en Nutrición</u> (<u>APIN</u>) initiative from our Kellogg Nutrition and <u>Health Institute</u> (INSK), we recognize



the effort of Mexican researchers from public and private centers who have made relevant contributions to the local health needs in these populations. Since 2009, we have supported 31 researchers.

#### Sharing Nutrition Information with Stakeholders

Data synchronization enables trading partners to share standard product and location information automatically through ongoing electronic exchange, eliminating manual processes. The <u>Global Data Synchronization Network™</u> (GDSN) connects suppliers and retailers, operators, providers, distributors, and other recipients to centralized data on foods, including nutrition criteria. Kellogg uses this system to connect with our customers and supply chain partners to:

- Enable sharing the same product data, accurately across the world;
- Allow the producer to track the foods globally;
- Provide greater product transparency to information-seeking consumers; and,
- Support regulatory requests for traceability and product recalls

#### **Emotional Wellbeing: Food that Unites**

We find ourselves in a moment of great dissonance and change—major revolutions are disrupting our society, our industry and our business. Kellogg Company's approach to emotional wellbeing concentrates on delighting the senses and bringing people together.

People are spending more time researching and understanding food, and food choices increasingly express who we are. Food can connect us to our heritage and to cultures from around the world. At the Center for Culinary Innovation, our researchers, food scientists, and others are looking into a wide variety of developments, from foods that support a healthy microbiome to plantbased protein.

Importantly, food also brings people together around a shared meal in the home, which has shown to have a positive impact on overall wellbeing. The American College of Pediatrics reports that, "When families regularly share meals together, everyone benefits – the children, parents and even the community. Making the



'family table' a priority from an early age can guard against many of the harms that come to children from a hurried lifestyle.<sup>8</sup>"

We are proud that Kellogg foods are in homes and on tables around the world. Demographic realities and the ongoing evolution of food shape our strategies and thinking. We aim to compete more aggressively within our traditional occasions by evolving our offerings to anticipate and exceed people's expectations. We also are transforming our capabilities to stretch into new occasions.

To do so, we know that it is essential to innovate with a culinary mindset – we are proud of making foods and brands that people love. As people seek more nutritious, affordable and sustainable food options, we know that taste is what will unlock a shift in modern diets. In this spirit, we've added dedicated culinary talent to our wellbeing teams around the world. These teams are exploring new and diverse ingredients and flavors. We also expanded our culinary center to support this commitment.

#### **Creating a Culinary Culture**

Over the years, Kellogg has continued to reimagine our business through innovation. We understand that, while nutrition is important to people, they are generally unwilling to compromise taste for a nutritional benefit. In today's culinary world, people have a wide range of tastes and enjoy food-centric experiences. From restaurants to Instagram, culinary is an important part of our everyday lives and, at Kellogg, we are continually challenging ourselves to deliver unique culinary experiences. With this in mind, it is essential that we work hand in hand with our culinary teams to design better-for-you foods

At the Center for Culinary Innovation, our researchers, food scientists, and others are looking into a wide variety of developments, from foods that support a healthy microbiome to plantbased protein

that also are delicious. A lot of this work takes place in our new Center for Culinary Innovation.

In 2019, Kellogg debuted the \$2.2 million Kellogg Center for Culinary Innovation to develop foods in collaboration with our sensory and design teams. The new, state-of-the-art facilities are located within the W.K. Kellogg Institute for Food Nutrition and Research and include a research and development kitchen and a consumer

<sup>&</sup>lt;sup>8</sup> <u>https://www.acpeds.org/the-college-speaks/position-statements/parenting-issues/the-benefits-of-the-family-table.</u>



kitchen. Additionally, we have built a new sensory facility and are planning a soon-tobe-built packaging and design studio.

At the Center for Culinary Innovation, our researchers, food scientists, and others are looking into a wide variety of developments, from foods that support a healthy microbiome to plant-based protein. Our company's culinary director works with culinary innovation teams from around the world, including a research and development chef. This team also builds partnerships with the culinary teams of our strategic suppliers, allowing us to consider unique flavor possibilities from around the world. These relationships complement Kellogg's commitment to emotional wellbeing and enable the company to collaborate so that our overall impact is thoughtful, strategic and impactful.

We're committed to innovating differently. To do so, we're collaborating with experts who share our values and can further inform our thinking. In 2019, we formed a partnership with the <u>Chefs' Manifesto</u>, a global community of chefs committed to simple, practical actions to advance SDG #2 - Zero Hunger. Members of the Chefs' Manifesto support our continued belief in the benefits of a plant-based diet, nutrient density, and addressing food waste and hidden hunger.

#### Leveraging Brands to Drive Our Wellbeing Strategy

The wellbeing strategy that supports Kellogg Company's Deploy for Growth business strategy leverages traditional nutrition and holistic wellbeing principles to support commercial success. We achieve this ambition by using our brands and equities to encourage the consumption of plant-based foods, including the right balance of essential macro and micronutrients. Through these strategies Kellogg brands are galvanizing consumers around holistic wellbeing and encourage their engagement in thwarting chronic disease through proactive prevention activities such as exercise.



### HIGHLIGHT

#### Partnering with Action for Healthy Kids to Promote Positive Health and Nutrition

As part of Kellogg Company's wellbeing strategy, our Better Days commitment to Nourishing with our Foods uses a preventative and strategic approach to address physical and emotional wellbeing issues related to malnutrition, obesity and dietrelated chronic disease, leveraging partnerships and consumer outreach to priority populations.

Over the past four years, Kellogg Company's partnership with <u>No Kid Hungry</u> has supported nearly 1 million kids gaining access to 154 million breakfasts annually. We're working together to ensure that all children have access to school breakfast and other nutrition initiatives, as well as physical activity. During the 2019-2020 school year, we also partnered with <u>Action for Healthy Kids</u>, through support from Kellogg Company Fund, to improve the health of more than 26,000 students at schools in 19 states through Game On grants. Through these grants and programmatic support, we're helping increase the number of children moving more and eating better at school, while also bolstering schools' efforts to create healthier learning environments.

## HIGHLIGHT

## Encouraging Wellbeing with Mission Tiger and the Aspen Institute

Kellogg Company's wellbeing strategy promotes physical and emotional wellbeing by leveraging the popularity of our brands and equities to encourage movement and participation in healthy exercise and sports activities such as. The U.S. *Kellogg's Frosted Flakes*® brand partners with the Aspen Institute to realize this aim by funding noncommercial public health and nutrition programming that serves priority populations.

Since 1952, brand mascot *Tony the Tiger*® and *Kellogg's Frosted Flakes*® have fueled active kids. Realizing that school funding challenges have created a decline in middle school sports for today's children, *Kellogg's Frosted Flakes*® committed to become part of the solution. In the U.S., *Kellogg's Frosted Flakes*® engaged with the nonprofit entity, <u>Donors Choose</u> to survey middle school teachers to assess their



athletic programs. They found that 6 of 10 respondents felt that their middle school athletic programs are barely funded or underfunded and that a lack of funding accounts for 47% of cuts to middle school sports programs.



Using the findings from the Donors Choose.org survey, *Kellogg's Frosted Flakes*® and its iconic *Tony the Tiger*® mascot funded a campaign to provide more kids with access to the benefits of sports through <u>"Mission Tiger,"</u> an initiative to help save middle school sports. The multiyear program began with a \$1 million commitment to DonorsChoose.org, a nonprofit dedicated to raising awareness about projects from real coaches, teachers and administrators in need.

*Kellogg's Frosted Flakes*® committed resources and equities to ensure the success of this effort, understanding that sports teach teamwork, build confidence, and help fuel kids' academic potential. Public relations supported this effort to amplify studies finding that physically active children score up to 40% higher on tests and are 15% more likely to go to college. This amplification built greater awareness and connectivity for the critical connections between sports and academic success.

Following the positive impact of its initial campaign, *Kellogg's Frosted Flakes®* announced the next chapter for Mission Tiger, announcing a multiyear partnership with <u>The Aspen Institute</u> at its 2019 Project Play Summit. This partnership will create the first-ever search for the best middle school sports programs in the country and enable more middle school sports by inspiring leaders to adopt models that serve the broadest swath of the student population.



The brand engaged NBA star Ben Simmons, to serve as a spokesperson and created a website to provide updates and information on *Tony the Tiger's*® "Mission Tiger" projects and more details on how to get involved. The brand also created a donation mechanism leveraging the company's popular Kellogg Family Rewards™ website.

For every *Kellogg's Frosted Flakes*® box purchases, people were encouraged to spark a \$1 donation by uploading receipts to Kellogg's Family Rewards<sup>®</sup>. The brand then donated \$1 per purchase to DonorsChoose.org. The brand committed to a minimum donation of \$500,000 and maximum donation of \$1,000,000. Based on packages purchased, it donated nearly \$700,000. Requests from middle schools seeking funds were made visible, and 1,467 "Mission Tiger" middle school sports projects were supported by DonorsChoose.org.

## Societal Wellbeing: Sustainable Production and Affordable Nutrition

The third component of Kellogg Company's wellbeing approach is societal wellbeing. This principle addresses sustainable production and aligns with the Nurturing our Planet pillars of our *Kellogg's® Better Days* global purpose platform (see these sections for more information).

At Kellogg Company, achieving food security, including addressing malnutrition and obesity, is at the heart of our commitment to society. While the In addition to making great tasting foods with the nutrition these families need, Kellogg has created award winning content and programs that encourage WIC families to make healthy choices.

emotional and physical aspects of our foods are important elements of holistic wellbeing, we also must consider the sustainability and public health impact of our foods. Looking at hunger in isolation only addresses one part of the problem. Food security is intertwined with other major challenges. Namely, the impact of climate, the dilemma of food waste and the depletion of our natural resources. If we're going to tackle food security, we must understand all the root causes and work holistically to address them through a number of nature-based and other solutions, including boosting soil health, protecting biodiversity, halting deforestation and mitigating greenhouse gasses.



433,799 Farmers reached

32,605 Smallholder farmers





To do this, we must start with farmers, providing tools to grow more food, and assisting them in minimizing food waste and its impact on the environment. Our diverse, plant-based foods play a key role in addressing these goals as we work across our value chain to nurture our planet. That's why we've committed to nurturing people and our planet by supporting 1 million farmers, especially women smallholders and workers, through programs focused on climate, social and financial literacy. Since 2015, we've supported more than 433,000 farmers, including women and smallholders around the world, with climate-smart agriculture programs that support biodiversity. We'll also continue respecting the natural limits of our planet by conserving natural resources all along our value chain by meeting our science-based climate targets, responsibly sourcing our ingredients, reducing organic waste and providing sustainable packaging that is reusable, recyclable or compostable.

These commitments and all of these aspects of our foods can contribute to food security and help ensure the world's ability to feed our ever-increasing population within planetary boundaries while delivery more healthy foods.

#### Supporting a Resilient Food System

As more people enjoy the benefits of diverse, plantbased foods, we continue our work to create a more resilient food system. Nutritious ingredients begin with agriculture and responsibly sourcing our ingredients. We believe a resilient agricultural system supports food security and improves the wellbeing of people and planet. That is why Kellogg partners with farmers to improve their climate resilience, enhance biodiversity on the farm and in landscapes, and improve farmer and worker livelihoods. Agricultural



practices that regenerate soil health, promote diverse crop rotations, support species and habitat, and reduce greenhouse gas emissions are key to a resilient food system.

Our focus on farmers echoes the legacy of W.K. Kellogg, a passionate conservationist who invested in his commitment to people and planet. He not only celebrated farmers' successes, famously awarding the American farmer who grew "the perfect ear of corn" with the W.K. Kellogg Corn Trophy in 1909. He also established a bird sanctuary and demonstration farm in southwest Michigan that ultimately became part of Michigan State University's W.K. Kellogg Biological

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Station<sup>9</sup>, where conservation-focused education and research programs advance public knowledge on wildlife species and conservation agriculture today. More than a century later, when farmers face continued market and weather shocks, and our planet faces historic climate and biodiversity challenges, Mr. Kellogg's passion to "invest his money in people" and restore biodiversity continues to inspire our work in agriculture.

Together with our ingredient suppliers, nongovernmental organization (NGO) partners, research institutions and farmers in our sourcing regions, we're assessing areas of opportunity for improvement, sharing best practices and measuring outcomes to make step changes across the global food system through over 40 <u>Kellogg's Origins©</u> programs.

Our *Kellogg's Origins*© programs maintain a global focus on climate, biodiversity and farmer livelihoods, while tailoring their approach to meet local needs

As part of our Better Days commitment, we are committed to building responsible and resilient supply chains. Today, we support world-class programs that reach our suppliers and more than 433,000 farmers globally.

and growing conditions. This vision applies whether we are partnering with TechnoServe to support smallholder farmers' livelihoods and climate resilience in India, with <u>vanilla supplier Symrise</u> to support vanilla producers' productivity and wellbeing and promote climate-smart agroforestry practices in Madagascar, or with Michigan wheat growers to advance soil health practices in the Saginaw Bay region.

## HIGHLIGHT

#### Kellogg and the Nature Conservancy Supporting U.S. Farmers

In 2019, after years of partnership with Michigan wheat farmers, Kellogg and <u>The Nature</u> <u>Conservancy</u> (TNC) launched "Supporting U.S. Farmers," a four-state program designed to support corn, rice and wheat farmers and to demonstrate how agriculture can contribute to improved environmental outcomes, safeguard communities Farmers need multiple solutions to adopt new practices successfully. We collaborate with The Nature Conservancy to help de-risk conservation and regenerative practices where we source U.S. corn, wheat and rice.

<u>http://www.kbs.msu.edu/wp-</u> content/uploads/2020/04/KBS\_In\_The\_Founders\_Footprints\_web\_accessible-FINAL.pdf.



and protect U.S. lands and waters. Through this multiyear collaboration, Kellogg and The Nature Conservancy expect to provide hundreds of farmers across Michigan, Illinois, Nebraska and Arkansas with funds and technical assistance to implement conservation practices such as cover cropping, conversation tillage, pollinator strips, nutrient management, vegetative buffers, irrigation efficiency and wetland restoration. These practices can enable farmers to increase crop productivity and reduce input use while making a positive impact on soil health, water quality, aquatic habitat in local streams and wetlands, and biodiversity on the farm.

The first year of the "Supporting U.S. Farmers" collaboration has shown excellent results, exceeding our initial expectations. Surpassing our original estimated reach of 25,000 acres of land over multiple years, the collaboration reached approximately 54,000 acres of land in 2019 alone through conservation agriculture practices, irrigation efficiency improvements or Illinois's STAR (Saving Tomorrow's Agriculture Resources) program.



The collaboration directly reached 87 farmers with technical assistance, cost-share or access to free equipment; hosted 31 events including farmer trainings and field days; and launched farmer peer networks.

"Supporting U.S. Farmers" takes a multisolution approach, tailoring each state program to farmers' local needs and opportunities. This approach is key to the program's success. A blend of regional and local reach creates opportunities to adapt and expand successful models and share lessons learned with a network of practitioners in local communities and across the country.

- In Michigan, support from Kellogg expands the Pay for Performance program, which offers participating farmers financial incentives to implement soil health practices that increase soil carbon, save topsoil, reduce harmful runoff and improve water quality in the Saginaw Bay and its tributaries. Soil health practices include cover crops, reduced tillage and pollinator strips. Farmers receive incentives based on a modeled estimate of the sediment load reduction, and therefore benefit to the local Saginaw Bay, from the practices they implement on their farms. In 2019, farmers adopted practices on almost 4,000 Michigan acres and prevented an estimated 328 metric tonnes of sediment runoff – the equivalent of 23 dump trucks of sediment – from entering the Bay. Pollinator strips also will provide habitat or forage to local pollinator species.
- Illinois has many existing sustainable agriculture programs and partners but lacks consistent messaging, shared resources and information, and support networks. As a member of the Illinois Sustainable Ag Partnership (ISAP), TNC is working to unify these programs and translate technical information into best practices. Kellogg Company's funding allows TNC to expand resources to corn producers by providing mini-grants to STAR program representatives who offer trusted technical advice and one-on-one consultations to farmers who participating in the program. The STAR program was developed to contribute to the goals outlined in Illinois' Nutrient Loss Reduction Strategy – a framework for reducing the amount of excess phosphorus and nitrogen flowing from farm fields into waterways. TNC also is working to establish a farmer-led peer network that allows Illinois producers to engage with and learn from each other.
- In Nebraska, TNC is offering farmers technical assistance and financial incentives for interseeding diverse cover crop mixes into corn crop rotations, an innovative approach to improving soil health and biodiversity on the farm. TNC also is identifying potential market mechanisms (e.g., voluntary carbon markets) to understand the feasibility of an economically self-sustaining soil health practice program. TNC is collaborating with one of Nebraska's Natural Resource Districts and the local NRCS office, leveraging both private and public resources to ensure outcomes of this project are lasting and scalable in Nebraska and beyond.
- In Arkansas, TNC is supplying rice farmers with timers and electronic shut-off valves for well pumps to efficiently manage their irrigation practices. Farmers use these pump timers to easily shut off their well pumps once fields are optimally irrigated a practice that would not always be possible otherwise. Ultimately, pump timers reduce field runoff and erosion, thereby reducing



energy costs for the farmer and decreasing harmful nutrient runoff to surrounding waterways. As of 2019, 92 pump timers were installed with Arkansas rice farmers to encourage water efficiency and reduce runoff into waterways that connect to the Mississippi River and ultimately the Gulf of Mexico.



#### **Ensuring Accessible Nutrition**

For people to enjoy the nutrition and other wellbeing benefits of our foods, these products must be accessible to those with a wide variety of economic means. In addition to donating food to millions of people each year, we also work to make them accessible to as many people as possible, a societal wellbeing benefit.

### **HIGHLIGHT** Reaching Underserved Populations in the U.S.

The lower-income population, families that earn less than \$35,000, make up nearly 30% of U.S. households<sup>10</sup>. At the end of the month, when budgets tend to be particularly limited, many of these people shop within the value channel – in stores like <u>Dollar General</u> and <u>Family Dollar</u>. The small format of these stores allows them to locate in low-income neighborhoods. These customers tell us that their shoppers are looking for two types of products, those under \$1 or, when they have money to stock up, those with a better price-per-ounce value equation.

It's imperative that Kellogg brands are accessible in these stores to meet the needs of low-income shoppers. We were the first to introduce \$1 cereal bags in this channel. Many of our most popular brands, including *Kellogg's Frosted Flakes®*, *Kellogg's® Froot Loops®* and *Kellogg's® Apple Jacks®* are now available in

<sup>&</sup>lt;sup>10</sup> <u>https://www.statista.com/statistics/203183/percentage-distribution-of-household-income-in-the-us/</u>



affordable \$1 cereal bags. We also have a number of snack foods around the \$1 price point that include four pouches of food a parent can use to provide several servings of healthy snacks to their children. When low-income shoppers look for larger sizes with a better price-per-ounce, Kellogg offers the ability to buy fortified cereal in sizes ranging up to a \$4 Family Size (24 oz.) bag.

## HIGHLIGHT

#### Using Technology to Support the U.S. Special Supplemental Nutrition Program (SNAP)

The <u>U.S. Special Supplemental Nutrition Program (SNAP) for Women, Infants and</u> <u>Children's (WIC)</u> provides free healthy foods, nutrition education and health care referrals to low-income families at nutrition risk. The program is proven to improve health outcomes when participants fully engage by eating the healthy foods it recommends. Unfortunately, many of these foods go unused when families have difficulty thinking of new ways to include them in meals that their family will enjoy.

As a National WIC Association business partner and member of the WIC community, Kellogg is committed to serving up just what WIC participants need. A deep knowledge of WIC concerns allows our company to create foods and nutrition communications to improve program engagement.

In 2019, Kellogg partnered with the WIC Shopper App developer and WIC staff to:

- Add an alert reminding users to use unredeemed food benefits;
- Feature new recipes, customized for the foods these families have yet to redeem; and,
- Providing additional information on the health benefits of these foods.

The new-and-improved app features came to life through new photography, recipes and content aimed at making the healthy choices provided by WIC more appealing. And it worked. People using the app reported using more WIC foods, and there was a measurable increase of all WIC food purchases in the states where the team was able to review data. The updated WIC Shopper App earned the American Heart Association's Foodscape Innovation Excellence Award and the American Heart Association Innovation Foodscape Innovation Consumer Choice Award.



In service of our long-standing commitment to WIC, Kellogg provides a range of assistance to help increase the effectiveness of the program's nutrition education goals and create partnerships with other WIC stakeholders to support women's health issues. In addition to making great tasting foods with the nutrition these families need, Kellogg has created award winning content and programs that encourage WIC families to make healthy choices. For example, our WIC targeted Family Meals Month program won Food Marketing Institute's Gold Plate Award.

In addition to making great tasting foods with the nutrition WIC families need, Kellogg has created award winning content and programs that encourage WIC families to make healthy choices.

In addition, Kellogg is committed to providing counsel to develop social marketing campaigns and culturally appropriate digital learning tools. We also help our customers enhance WIC clients' shopping experience. For example, Kellogg understands that moms appreciate a choice of flavors and offers ready-to-eat cereals that every member of their family can enjoy. Since 2019, *Kellogg's Frosted Mini Wheats*® brand has committed to making its entire line of these popular foods WIC eligible. To do so, we've lowered the grams of sugar per serving and are working with individual states to ensure inclusion in their WIC offerings.

Our *Kellogg's*® *Special K*® *Protein* cereals also are recent additions to the WIC program, expanding from one- to four-approved offerings including original, cinnamon, honey and banana. These popular cereals include protein, whole grains, fiber, folate, iron, and protein in addition to the iron fortification required for pregnant/postpartum women.



## FEEDING PEOPLE IN NEED: PROVIDING ESSENTIAL NUTRITION TO MILLIONS AROUND THE WORLD

According to the <u>World Food Programme</u>, the world produces enough food for everyone. Yet, one in nine<sup>11</sup> people continue to struggle with hunger, and one in three suffer from malnutrition. And according to new research from the <u>United Nations</u> <u>University</u><sup>12</sup>, these numbers could more than double as the fallout from COVID-19 potentially pushes another half a billion people into poverty in developing countries, significantly increasing their risk of food insecurity. Our donations help provide important nourishment to those in need, either due to short-term or chronic hunger, or natural disasters.

That's why we're working toward United Nations Sustainable Development Goal (SDG) #2 – Zero Hunger, collaborating with others around the world to "end hunger, achieve food security and improved nutrition, and promote sustainable agriculture by the end of 2030." Until Zero Hunger is realized, Kellogg is leading in myriad ways, including providing nutritious foods that nourish people in need around the world.

#### Supporting Global COVID-19 Hunger Relief Effort

In response to the pandemic, Kellogg and our charitable funds have donated more than \$14.5 million in food and funds to global COVID-19 hunger relief efforts to date and that number is growing. In total, our contributions are aiding the following organizations around the world: <u>The Global FoodBanking Network</u>, supporting food banks across Asia, Europe and Latin America; <u>European Food Banks Federation</u>, supporting food banks across Europe; <u>Feeding America</u>, supporting 200 food bank locations across the U.S. and <u>Food Banks Canada</u>, supporting 500 food banks across Canada.

<sup>&</sup>lt;sup>12</sup> https://www.wider.unu.edu/publication/estimates-impact-covid-19-global-poverty.



<sup>&</sup>lt;sup>11</sup> 2018 The State of Food Security and Nutrition in the World, Food and Agriculture Organization of the United Nations.

#### Furthering our Ongoing Commitment to Hunger Relief

Feeding people in need has long been a cornerstone of Kellogg Company's corporate responsibility initiatives. Today, doing so is a central to our ambitious *Kellogg's® Better Days* commitment to create Better Days for 3 billion people by the end of 2030. As part of this global goal, we intend to feed 375 million people in need through food donations, expanded child feeding programs and disaster relief.

Since 2015, we've donated 2.4 billion servings of food to people facing hunger and reached 3.2 million children through feeding programs. We're partnering with food banks on six continents, sponsoring food drives to help stock community food pantries around the world and providing essential food to those coping with natural disasters. We also support Breakfast Clubs in 21 countries and are working to expand school and summer feeding programs so children can everywhere reach their full potential.

Our donations of food do more than fill bellies. These donations help provide nourishment to those in need, either due to chronic hunger, or short-term caused by natural. All our cereals now include at least one nutrient of need, whether that be fiber, protein or micronutrients. Specifically, 83% contain a source of fiber<sup>13</sup>, 59% are fortified with micronutrients and 40% contain vitamin D.

Our focus on food banks and school feeding programs supports those most vulnerable to lack of access to nutritious foods in developed and developing countries. Our aim is to increase the availability of foods that address hidden hunger (a lack of needed vitamins and minerals) in undernourished populations.

In the U.S., for example, we advocate with our nonprofit partners to expand federally funded school breakfast programs, so more children can start their day with breakfast. These programs extend into the summer, to ensure that when school is out, children who need foods have access to them. Our support helped increase breakfast participation in hundreds of schools across the U.S., in partnership with <u>Action for Healthy Kids</u>, the <u>Food Research and Action Center</u> and <u>Share Our</u> <u>Strength's No Kid Hungry</u> campaign. In 2019, our *Kellogg's*® brand again donated \$1 million to No Kid Hungry to expand school breakfast programs. The foods provided in these programs are aligned to U.S. nutrition guidelines and help to increase micronutrient uptake on vitamins and minerals needed in children. Over the past

<sup>&</sup>lt;sup>18</sup> Source of fiber is defined as at least 3g fiber per 100g, <u>Codex Alimentarius</u>. Fiber nutrient content standards vary by country.



four years, Kellogg and No Kid Hungry's partnership has supported nearly 1 million kids gaining access to 154 million breakfasts annually.

Kellogg Europe has helped create breakfast programs in communities with low socio-economic status (many in the lowest 25 % income bracket) including in Russia, U.K., Ireland, Spain, Italy, Denmark and Sweden. These programs help provide children and young people with access to the micronutrients which evidence shows are often missing. In 2019, we donated about 10p /10c from the sale of every box of *W.K. Kellogg*® cereal and granola to breakfast clubs and other good causes like sustainable farming across Europe. In 2019, Kellogg supported breakfast clubs in 21 countries.



Some of these breakfast clubs are in Germany, where Kellogg and senior citizens have teamed up to provide children with a wholesome breakfast at school. Across the country, more than 1,300 senior citizen members of <u>brotZeit e.V.</u> prepare and distribute breakfast to children. It's an atypical partnership that is making a big difference in the lives of German children. According to a recent brotZeit e.V. study of about 700 teachers in Germany, more than 80% said that children arrive at school without having had breakfast several times a week. According to 98% of these teachers, not eating breakfast has a negative impact on the children's school performance. At schools partnering with brotZeit e.V., 84% of teachers emphasize the positive effect the breakfast has on children's academic results. That's why

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Kellogg is partnering with brotZeit e.V. to expand the organization's efforts nationally to reach approximately 1,500 schools in Germany by 2021.

Kellogg Company's first breakfast clubs began in Europe in 1998. Today, the children who attended these initial clubs are young adults. In Spain, Kellogg is continuing to encourage these early breakfast club participants to succeed by awarding five W. K. Kellogg scholarships to support their efforts to complete high school, professional training or university.

Our support of breakfast clubs also extends far beyond Europe and Russia. In 2019, Kellogg provided breakfast every school day to more than 30,000 students in 49 schools in four South African provinces.

We also acknowledge the important role that school foodservice teams play helping to ensure that kids are well nourished. Our U.S. Away From Home business unit encourages and inspires foodservice professionals through programs that engage them. In 2019, the Away From Home business unit sponsored the *Kellogg's*® Elevate the Plate Challenge with No Kid Hungry. Ten winning school foodservice directors received \$5,000 grants to fund efforts to increase school meal participation.

#### **Reducing Food Loss and Waste**

As a global food company, Kellogg is committed to reducing food loss and waste. We are aligned with SDG 12.3, to halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses, by 2030. Through our global signature cause platform, *Kellogg's*® *Better Days*, we're donating food for hunger relief that may otherwise go to waste. We're also working with farmers around the world who grow our ingredients, the people who make our foods and those who enjoy them to, together, make sure no food is wasted.

Kellogg joined <u>Champions 12.3</u>, a coalition of executives from governments, businesses, international organizations, research institutions, farmer groups, and civil society dedicated to inspiring ambition, mobilizing action, and accelerating progress



toward achieving SDG Target 12.3 by 2030. These goals align with Kellogg Company's commitments to reduce waste, with a focus on organic waste across our end-to-end supply chain.



## **HIGHLIGHT** Fighting Summer Hunger in the U.S. with our Charity Partners

Nearly all (six out of seven) U.S. children who eat a free- or reduced-price lunch at school don't have access to the same nourishing meals during the summer and even fewer have access to breakfast<sup>14</sup>. To fight summer hunger in 2019, Kellogg and one of our charitable funds partnered with <u>United Way Worldwide</u>, <u>No Kid Hungry</u> and the <u>Food Research and Action Center</u> (FRAC) to support programs that increase access to food for kids when school is not in session. These summer-meal sites are a lifeline for low-income families who otherwise spend an extra \$316 per month on food during the summer.<sup>15</sup>

- Across the U.S., Kellogg and our Kellogg's® Froot Loops®, Kellogg's Frosted Flakes and Pringles® brands partnered with United Way to provide free summer breakfasts and lunches in Battle Creek, Dallas, Des Moines, Detroit, Sacramento, Seattle and Jackson, Tennessee.
- Kellogg also was a proud sponsor of No Kid Hungry's Share Summer Tour that allowed people to text 'FOOD' to 877-877 to find free summer-meals sites in their neighborhoods.
- Because it's important to expand summer feeding programs to reach more children, the Kellogg Company Fund supported FRAC's Hunger Doesn't Take a Vacation report that measured the reach of summer-nutrition programs.

If you've never been to a summer meal program, here's what might see. Every morning, two young boys – Jamaal and Xavier – excitedly run from their apartment to the nearby Othello Playground in Southeast Seattle. In addition to eating breakfast and lunch at the park, they participate in activities led by volunteers at the United Way of King County program. One day they make jellyfish out of paper plates and another they plant seeds while learning about photosynthesis. Jamaal and Xavier spend three to four hours at the park every day, time they otherwise would spend home alone while their single mother works.

<sup>&</sup>lt;sup>15</sup> <u>http://bestpractices.nokidhungry.org/sites/default/files/download-</u> <u>resource/National%20Summer%20Meals%20Survey%20Major%20Findings.pdf</u>.



<sup>&</sup>lt;sup>14</sup> <u>https://frac.org/research/resource-library/hunger-doesnt-take-a-vacation-summer-nutrition-status-report-2019</u>.

Summer meal programs like the one at Othello Playground are extremely important to communities. They also are challenging to operate. Rural children may not have transportation, urban children may not be able to leave home and walk to the park alone, families may simply not know of these essential services. Kellogg Company's support of summer meal sites helps address barriers and identify best practices to share nationwide.

# NURTURING OUR PLANET: THE INTERCONNECTED BENEFITS OF PLANT-BASED FOODS

Today, research shows that eating a plant-based diet can have a positive impact on the health of people and the planet. Kellogg is committed to nourishing people and, at the same time, nurturing the planet, with our plant-based foods. Our company's portfolio is 86% plant-based, including our cereals, snacks and meat alternatives, which makes us a leading global plant-based food company. As such, Kellogg plays a unique role in this transformation by introducing foods that support the physical and planetary benefits of a plant-based diet.

Growing and eating a greater variety of plants can benefit our overall wellbeing and support a more sustainable food supply for generations to come.

While global food production has ramped up to the point where there is enough food to feed nine-plus billion people worldwide, the world's food system is narrow and siloed, and the health of our planet is suffering. We must work together with all stakeholders to ensure the world's continued ability to feed its ever increasing population within planetary boundaries.

It's estimated that there are 30,000 edible plants, yet we only eat 150 of them. And just three main plants – corn, rice and wheat – account for more than 50% of the food people eat globally<sup>16</sup>. This current food system approach of growing the same crop on the same land, year-over-year, depletes important soil nutrients that reduce the amount of food we can grow on each acre of land. Together, we must transform

<sup>&</sup>lt;sup>16</sup> <u>http://www.fao.org/3/x0262e/x0262e02.htm</u>.



this approach to reduce its impact on the environment to continue to provide the important macro and micronutrients people need.

For example, a plant-diverse diet promotes the consumption of food like grains, fruits, vegetables, nuts and legumes, which can help provide nutrients like fiber, protein, vitamins and minerals. *Kellogg's*® cereals, for example, deliver important nutrients such as fiber, B vitamins and iron. And our *MorningStar Farms*® black bean burgers have 72% less fat than regular ground beef and deliver 9 grams of protein.

*Morningstar Farms*® is actually embedding nutrition into its entire food innovation process using all ingredients. The brand, which has pledged to be 100% vegan by 2021, wants to ensure that it continues to delight consumers with foods that are mutually aligned to their values and deliver health credentials.

Kellogg has long focused on the many benefits of grains. We know that growing and eating a greater variety of plants can benefit our overall wellbeing and support a more sustainable food supply for generations to come. Today, we offer a greater variety of plant-based foods than ever.

For example:

- Kashi® Grain-Free Coconut Almond Chewy Granola Bars are made with diverse plant-based ingredients, including sunflower seeds, coconut, almonds and pumpkin seeds.
- *W.K. Kellogg's*® *Raspberry Apple Carrot Granola* introduces carrots to the granola category, along with barley, oats, rye, apples, bananas and raspberries.
- *Morningstar Farms*® *Mediterranean Chickpea Burgers* are made with chickpeas, spinach, roma tomatoes and traditional Greek herbs and spices.

#### Plant-based Diets are More Environmentally Sustainable

Plant-based foods also have a <u>lower environmental impact</u>, requiring less land and water to produce. A few years ago, Kellogg conducted a life-cycle assessment on the environmental benefits of plant-based dietary choices. The study found that an adult choosing a meatless breakfast, lunch or dinner – rather than one that contains meat



– reduces carbon footprint, water use, and other environmental indicators on average by  $40\%^{17}$ .

Across the globe in other foods, we already use and are exploring additional uses for diverse grains like amaranth, sorghum, millet, fonio and others. Kellogg also is an investor of <u>Kuli Kuli</u>®, which is focused on building sustainable, responsible supply chains for Moringa, a green super food that is more nutritious than kale and the main ingredient in their smoothies, bars and powders.

By cultivating new types of ingredients and introducing a variety of crops in rotation, we can boost soil health and productivity. Doing so also supports agro-biodiversity and the wildlife that need agricultural lands to thrive.

### Working with Farmers to Improve the Sustainability of our Future Food System

As more people enjoy the benefits of diverse, plant-based foods, we are continuing our work to drive a resilient and responsibly sourced food supply (see HIGHLIGHT: Supporting a Resilient Food System). Kellogg supports farmers and workers as they adopt increasingly sustainable and regenerative agriculture practices that help promote soil health, protect agro-biodiversity, halt deforestation and mitigate greenhouse gas emissions.

Today, we understand that food is the single strongest lever we have to concurrently optimize human health and environmental sustainability. The global adoption of healthy diets from sustainable food systems has the mutual benefit of helping to protect our planet and, at the same time, improve the health of billions. Through our procurement, programs and leadership in Food Reform for Sustainability and Health (<u>FReSH</u>), we are supporting the cultivation of new types of ingredients, supporting continuous cover on agricultural lands, and diversifying crop rotations. By supporting crop variety, farmers can boost soil health and in turn, improve productivity and yields.

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https://www.morningstarfarms.com/content/dam/morningstarfarms/pdf/MSFPlantBasedLC <u>AReport\_2016-04-10\_Final.pdf</u>.



## HIGHLIGHT

## Looking at Innovation in a New Way to Benefit People and the Planet

In 2018, the *W.K. Kellogg*® brand of cereals debuted with a portfolio of high-fiber, vegan-friendly cereals. The *W.K. Kellogg*® brand is a wholesome, healthy and nutritious variety of foods. The introduction of these five cereals marked Kellogg's U.K. entry into the organic and vegan foods market under the newly created *W.K. Kellogg*® brand.



The cereal line draws its name from our company's founder, W. K. Kellogg. The brand focuses on wholesome food trends and drives ingredient-conscious consumers to the mainstream cereal market by providing an accessible and affordable option.

These cereals contain no artificial flavors and are suitable for vegans. They also respond to Kellogg Company's commitment to creating foods that suit changing consumer diets and a desire for more plant-based foods with diverse ingredients. The brand offers a combination of toasted oats and crunchy nuts, or juicy fruits that contain no added sugar or artificial sweeteners. The cereals also leverage diverse ingredients, including apricots, seeds, organic whole grain wheat, and super grains, including cranberry, sultana and spelt. The introduction of the carrot and beetroot flavor is an example of Kellogg Company's commitment to be creative in our use of plant-based foods and our increasing focus on plant diversity.

The cereals have been very well-received, and the brand expanded the product line in 2020 to include foods for kids. The newly introduced *W.K. Kellogg*® by Kids plantbased breakfast cereal was designed by kids for kids and their families. The kidfriendly fruit and vegetable breakfast cereals have appealing small multigrain shapes containing fruit and vegetables (e.g., blueberry apple and beetroot) and no added sugar.

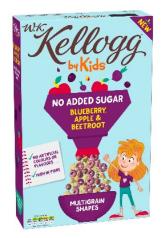
The new line of kids' cereal includes two foods. One cereal contains blueberries, apples and beetroot balls; the other cereal includes strawberries, apples and carrot shapes. Children helped create the cereal from concept to taste-testing, co-creating a healthy, kid-friendly cereal without adding extra sugar, artificial colors, sweeteners or flavors.



These cereals also reflect the heritage of the company's founder, W.K. Kellogg, in their commitment to physical wellbeing (nutrition) and societal wellbeing (philanthropy). In addition to being designed for plant diversity and taste, the W W.K. Kellogg® were designed to do good as well. Because our founder W.K Kellogg was a philanthropist and believed in "giving back," Kellogg gives 10p /10c from every box sold to support good causes like sustainable farming and projects that provide breakfast for people in need.



The contribution of the *W.K. Kellogg*<sup>®</sup> brand supports the company's ambition to live our founder's values. Since the *W.K. Kellogg*<sup>®</sup> brand of cereals was launched in 2018, more than €2million has been generated to help farmers in Spain and the U.K. grow rice and wheat in a more sustainable way. Monies from the sale of the cereal also have contributed to support charities and other NGOs to feed people in need and provide breakfast for children in Germany, France, Spain, the U.K., Ireland, Sweden, Denmark and Italy.







## HIGHLIGHT

### Sowing the Seeds of Women's Empowerment through Vegetable Gardening in India

Kellogg partnered with the international nonprofit organization, TechnoServe, on an award-winning program that trains farmers in India on climate-smart agricultural practices to improve yields, quality and resilience on their farms, as well as to reduce food waste. <u>TechnoServe</u> and Kellogg share an ambition to relieve the pressure smallholder farmers face from climate change. This high-impact initiative helps transform the lives of smallholder farming families, including women farmers, in India. Our collaboration supported farmers in gaining access to better markets and supplies by building the entrepreneurship skills of farmer-owned small businesses that provide those services. As a result, more than 12,000 participating farmers have increased their incomes by 20% over the program.



In addition to training women farmers on climate-smart agriculture, TechnoServe and Kellogg identified an opportunity to increase the role women play in the farm economy while simultaneously enhancing the nutritional intake of participating households by training women in organic kitchen gardening. The project helps women to establish backyard gardens using organic inputs and farming practices for four nutritionally diverse crops at a time. With fresh produce at hand in the garden, women gain better quality vegetables without spending at the market, saving travel time and money while diversifying their families' access to essential nutrients. In this way, the program generates multiple benefits, providing women with the expertise and tools they need to put nutritious food on the table for their families while simultaneously creating a space for themselves as decision-makers

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capable of contributing to the family and farm economies. The average household with a garden now consumes vegetables daily and their spending on vegetables has decreased by nearly 75%.

Investing in opportunities for women leads to additional benefits at the household level and beyond; thus, the initiative prioritizes the inclusion of women like Rachna Sharma in the program. As a child, she dreamed of becoming a teacher, just like several male members of her family. However, she never expected to make this dream a reality, as girls in her family were not allowed to work. Little did she know that she would become a Kellogg/TechnoServe mentor to 300 local women, showing them how to improve their families' nutrition and establishing their roles in family and agricultural decision-making.

Rachna sums it up well, "I feel so much more confident and ready to take on the world!" To date, TechnoServe and Kellogg have collaborated to train thousands of women in kitchen gardening. They are recruiting more female lead producers now that Rachna has paved the way for future change-makers.

The program was recognized by the U.S. Chamber of Commerce Foundation Corporate Citizenship Center, which awarded Kellogg Company and TechnoServe the 2019 Citizens Award for Best Economic Empowerment Program.

## **LIVING OUR FOUNDER'S VALUES**

W.K. Kellogg was a 20<sup>th</sup> century Renaissance man. He set out to discover a healthier alternative to the heavy breakfasts people ate in the early 1900s and created a global cereal industry. He saw the value of plant-based foods and protecting our environment long before others and put a great deal of land into conservation for future generations. He was passionate about helping others and donated

One of our top priorities always is ensuring the wellbeing of our employees.

nearly all his personal wealth to create the W.K. Kellogg Foundation.

Mr. Kellogg continues to inspire us today and his priorities are reflected in our <u>K</u> <u>Values</u>, which are front and center in our *Kellogg's® Better Days* commitment to create Better Days for 3 billion people by the end of 2030.:

- We act with integrity and show respect.
- We are all accountable.



- We are passionate about our business, our brands and our foods.
- We have the humility and hunger to learn.
- We strive for simplicity.
- We love success.



In addition to nourishing with our foods, feeding people in need and nurturing our planet, we live our founder's values by engaging people in advocating on behalf of children facing hunger, ensuring an ethical supply chain and supporting diversity and inclusion. One of our top priorities always is ensuring the wellbeing of our employees.

#### **Ensuring Employee Wellbeing**

Total Health, our global employee wellbeing framework, launched globally in 2019. It addresses physical, financial, social, and emotional wellbeing to support our employees' personal goals. On an ongoing basis, we focus on each aspect of wellbeing and provide useful information, education, tools and resources. For example, Kellogg hosted a global all-employee emotional health event on mindfulness in acknowledgment of World Mental Health Day and a series of wellbeing sessions during the COVID-19 pandemic.



We recognize that the COVID-19 pandemic has placed a significant strain on employee wellbeing. With this in mind, we're initiating nutrition education classes during the summer of 2020 for all of our employees and offering various training and informative sessions to ensure we are supporting holistic wellbeing. Kellogg locations across the world use the Total Health framework to guide how they communicate and engage with employees in support of their wellbeing.

Kellogg understands that our employees want to be healthy and recognizes that it's not always easy to maintain or improve individual health goals. To support employee health and wellbeing in the U.S., Kellogg partners with several organizations to support employee wellbeing. Our employees and their covered dependents enrolled in the Salaried & Non-Union PPO and HSA Plans have access to programs to find the right care at the right time and fitness/nutrition coaching. These U.S. partnerships reinforce Kellogg's commitment to supporting employee physical wellbeing and encouraging employee participation in nutrition and physical activity.

- Grand Rounds supports employee wellbeing by expertly guiding employees to medical providers and care tailored to individual needs. This service can assist an employee in finding a physician, specialist, or a second opinion if needed. Grand Rounds is accessible by phone or online and helps navigate the health care system or removing obstacles that prevent employees from getting recommended care.
- Similarly, in the U.S., Sonic Boom helps employees reach their health goals using coaches who support them end-to-end from the development of personalized health goals and plans to recognizing their success. Sonic Boom uses inspirational, fun nutrition and fitness challenges to keep Kellogg employees moving and inspired through its website or app. The online mechanism allows employees to track their health using several daily health trackers and see progress using personal devices such as a Fitbit, Garmin or Misfit device, or use the Strava or Google Fit apps.

Globally, we understand that the workplace is the optimal point of intervention to contribute to improved health outcomes for individuals. According to the World Health Organization, 58% of the global population will spend at least one-third of their adult lives at work, yet, only a small percentage of the global workforce work in corporate offices in high-income countries that have access to healthy food options at work.

Globally, we understand that the workplace is the optimal point of intervention to contribute to improved health outcomes for individuals.



Kellogg understands that addressing these issues can support critical organizational outcomes, including reduced absenteeism, enhanced productivity, increase job satisfaction, and lower rates of accidents and mistakes at work. Our support and attention to these outcomes have a macro-level impact and aligns with our commitment to the SDGs. Well-executed workplace nutrition and health programs support SDG2 (Zero Hunger), SDG3 (Good Health and Wellbeing), and SDG8 (Decent Work and Economic Growth).

We leverage our corporate partnerships with global leaders like the <u>Consumer</u> <u>Goods Forum</u> (CGF) and the <u>Global Alliance for Improved Nutrition</u> (GAIN) to help realize our ambition to support employees and adopt workforce nutrition programs. Kellogg is a member of the <u>Workforce Nutrition Alliance</u> (WNA). As part of our membership and participation in this initiative, we will expand our workforce nutrition programs by 2025. Kellogg will support a collaborative effort to build a food system that promotes healthy diets and supports WNA's nutrition pillar. This work is aligned with the Tokyo Nutrition for Growth Summit 2020 and allows Kellogg to realize our ambition to provide relevant workforce nutrition programs for all employees.

As a company, we are continuously looking for ways to support our employees with benefits that make life easier. We understand that different employees have different needs, and we provide benefits to support employees at every life stage. For example, in 2019, we began providing our U.S. employees' access to Applied Behavior Analysis Therapy and enhanced our benefits to support breastfeeding mothers.

- Applied Behavior Analysis (ABA) treatment is a psychological therapy that is commonly recommended for the treatment of autistic children age eight or younger. It gives employees access to a national network of accredited therapy providers specializing in ABA treatment for the 1 in 59 children identified with autism spectrum disorder according to estimates from <u>Centers</u> for Disease Control and Prevention's Autism and Developmental Disabilities <u>Monitoring (ADDM) Network</u>.
- At Kellogg, we don't want mothers who choose to breastfeed their children to compromise their commitment to breastfeeding when they return to work. To support this choice, Kellogg added Milk Stork, a breast milk delivery service to its employee benefits so nursing can mothers ship their breast milk back to their homes in a safe, refrigerated, and convenient manner while they're away on business travel.

In 2020, Kellogg partnered with Livongo to help those U.S. employees managing diabetes and introduced a larger commitment to provide free select medical



services and medications to those managing chronic conditions such as asthma, diabetes, heart disease, pulmonary disease and metabolic syndrome.

Inclusion of benefits and partners like Grand Rounds, Sonic Boom, ABA Therapy, and Milk Stork is part of Kellogg Company's ongoing efforts to provide employees with the support they need to manage their lives and care for their families. These benefits and others offered around the world are just a few examples of the company's commitment to supporting employee wellbeing.

To build internal confidence and create ambassadors of our company, brands and foods, we also develop employee education on Wellbeing topics, brand campaigns and innovation. To enable our salesforce, we also develop tools and resources specifically for sales so that employees servicing our customers can represent our commitment to nutrition and wellbeing from the field.

# **GOVERNANCE AND MANAGEMENT**

Kellogg Company's wellbeing strategy, including its approach to nutrition and philanthropy, is led by its Senior Vice President, Global Research and Development (who reports to the company's Chief Growth Officer) and our Senior Vice President, Global Corporate Affairs (who reports to the company's CEO). The strategy is aligned with the company's Deploy for Growth business strategy and reviewed by the Executive Committee, including regional Presidents, and Board of

Nutrition considerations are factored into our acquisitions, divestitures, joint venture and partnership decisions.

Directors at least twice per year. Following is additional information about how Kellogg advances wellbeing within the organization and with external stakeholders.

#### **Analyzing Risk**

Kellogg Company develops and uses risk assessments and opportunity identification to inform the work we do across our company as we continue to drive beyond compliance, toward an efficient and effective growth model. This approach is incorporated into our Deploy for Growth business strategy and that of our business units. This includes assessments of climate risk and resiliency. Risk models and correlation assessments are used in the following ways:

1. Better understand regulatory risk related to wellbeing;



- 2. Better understand customer and reputational risks from our consumers and key stakeholders; and,
- 3. Inform our global Better Days Commitments and Deploy for Growth business strategy

Kellogg uses a comprehensive Enterprise Risk Management (ERM) process for dayto-day risk management, including assessing nutrition-related commercial, regulatory, legal and physical risks. In addition to the ERM process, Kellogg has a cross-functional "Emerging Issues Council" that reviews potential corporate risks, including future regulation. Wellbeing, sustainability, regulatory, government relations, technical experts and corporate affairs are all part of this process. The Chief Financial Officer and Vice President of Internal Audit are responsible and accountable for ERM risk appetite and tolerance, monitoring and reporting.

The risk assessment process is global, developed to identify and assess Kellogg Company's current and emerging risks, including the nature of the risk and to identify steps to mitigate and manage the controllable aspects of each risk. In addition to the ERM process, Global Corporate Affairs has continuous monitoring of short- and long-term reputational risks at a brand, regional and global level.

For the ERM process, we assess the potential size and scope of identified risks through the annual completion of a global internal survey of several hundred key business leaders, functional leaders and other managers. Within Global Corporate Affairs, reputation risks are assessed by consulting internal and external experts, monitoring media and consumer sentiment, and using external benchmarking tools like RepTrack.

Nutrition risks also are evaluated in additional ways. Nutrition considerations are factored into our acquisitions, divestitures, joint venture and partnership decisions. For example, when Kellogg Company was evaluating the acquisition of Mass Foods and Bisco Mas, the production of date bars in partnership with the <u>World Food</u> <u>Programme</u> already underway was evaluated and assessed with Kellogg Values, commitments and commercial opportunities. Similarly, when the company acquired RXBAR in 2017, the company did so acknowledging the important role a better-for-you snack could play in enhancing our portfolio.

#### **Dedicated to High-quality Reporting**

Our company's performance is driven by our Deploy for Growth business strategy, which is supported by our wellbeing strategy and commitment to nutrition. Around the world, we provide healthy, delicious, convenient foods. Our current portfolio



includes foods in attractive and growing categories, offering solutions for all stages of life, for all occasions.

Kellogg is committed to high-quality, regular reporting. In addition to the <u>Annual</u> <u>Report</u>, each year, we prepare a comprehensive <u>Corporate Responsibility Report</u> using the <u>Global Reporting Initiative</u> (GRI) and its Food Processing Sector Standards, plus the <u>Sustainability Accounting Standards Board</u> (SASB) Processed Foods Standards. We report in accordance with GRI's "Core" option and also have included additional information addressing some "Comprehensive" reporting disclosures. We discuss our overall approach to tackling nutrition issues in the U.S. and around the world as part of the Nourishing with Our Foods section.

The Corporate Responsibility Report provides a clear sense of the company's wellbeing strategy and how it relates to our overall Deploy for Growth business strategy. It also includes our philanthropic and nutrition programs that address food security in the U.S. and around the world though our *Kellogg's® Better Days* global purpose platform and commitment to create Better Days for 3 billion people around the world by the end of 2030. Aspects of our Better Days goals are third party verified by auditors annually and strategies are built in consultation with external subject matter experts. For example, the Wellbeing strategy was informed through soliciting commentary by prestigious experts such as Oxford University, United Nations partner organizations, World Business Council for Sustainable Development and others.

Kellogg Company's most recent full GRI-based Corporate Responsibility Report was published in 2020. We intend to continue publishing an annual Corporate Responsibility Report, as well as GRI and SASB indices.

#### Assessing Materiality Across Our Value Chain

To determine those items material to our corporate responsibility strategy, a team of senior leaders, with input from internal and external stakeholders, undertook a materiality assessment process to thoroughly understand the company's current and potential environmental, social, governance, ethical and economic impacts. In identifying our material topics, the team focused on those that:

- Align with our company's vision, purpose, strategy, brand portfolio and geographic footprint;
- Intersect multiple areas of the company's value chain; and,
- Affect consumers, customers, employees, communities, regulatory agencies or other stakeholders in regions where we operate and source.



Although there are myriad important issues facing society today, we focus on the intersection of those that are most material to our business and where we can have the greatest impact given the reach of our operations, supply chain and value chain.

In 2018, we conducted a comprehensive mapping exercise to carefully evaluate this intersection against all 17 U.N. SDGs. As a result, we've expanded our <u>materiality</u> <u>matrix</u> across our value chain and indicated six "Priority SDGs" most aligned with our work. We also contribute to the remaining 11 SDGs that are important to our business and that we impact. Those listed as Priority are where we concentrate our corporate responsibility efforts. Each year, we review our material topics and update them as appropriate.

The complete Materiality Matrix is included in our Corporate Responsibility Report.

#### Maximizing the Power of Partnerships

Kellogg believes in the power of partnership. We understand that no one can achieve the ambitious and essential SDGs alone. We partner with a variety of stakeholders – from the Consumer Goods Forum, to the <u>World Business Council for</u> <u>Sustainable Development Goals</u> to <u>United Way</u>, to <u>SDG2 Advocacy Hub Chefs'</u> <u>Manifesto</u>, to <u>Food Reform for Sustainability and Health</u> (FReSH), to <u>Global</u> <u>FoodBanking Network</u>, <u>Action for Healthy Kids</u>, <u>Feeding America</u>, <u>No Kid Hungry</u> and <u>The Nature Conservancy</u>. These organizations, among others, are important strategic partners that we rely on to guide our hand and support our ambitions. From leading experts to up-and-coming innovators, Kellogg is committed to having a seat at the table to support global, cross-sector collaboration to achieve the SGDs.

Kellogg pledges to work within regional and national frameworks in support of goals set by the nutrition community to address specific fortification needs and undernutrition issues more broadly in the U.S. and, as appropriate, across our company's global footprint. This work is already underway, thanks to our partnerships with organizations including the <u>Food Reform for Sustainability and</u> <u>Health program (FReSH)</u>, <u>Harvest Plus</u> and more. Through these partnerships, we engage global and regional stakeholders on nutrition and sustainable lifestyles and are actively engaged in ongoing conversations with multilateral organizations, governments, nongovernmental organizations, retailers and consumers. These dialogues identify risks and opportunities; they also inform new programs and food innovations. Kellogg partners with these organizations plus the <u>EAT Foundation</u>, <u>Feeding America</u> and <u>The Global FoodBanking Network</u> and others, to further inform our commercial strategy and corporate policies regarding undernutrition.



Kellogg also honors our worldwide commitment to food security annually, on World Food Day. Each year, our company and employees host food drives and mealpacking events. In 2019, more than 1,000 Kellogg employees volunteered more than 3,300 hours – a 27% increase over 2018 – at events like these in more than 20 countries, including Australia, Canada, China, Egypt, Ireland, Singapore, South Africa, the U.S. and many other communities. Doing so is part of our *Kellogg's® Better Days* global commitment to create Better Days for 3 billion people by the end of 2030.

#### **Committed to Transparency**

People expect transparency about their food. They want to know how is it made Where do the ingredients come from? Who makes it? And we enjoy this conversation.

One of the ways we engage with people is by using our packages to share important information about our foods. Kellogg was the first company to put nutrition information on cereal packages in the 1930s. So shoppers best understand where our foods fit in their preferences, we continue our commitment to transparent, front-ofpack labeling.

- In France, have voluntarily adopted the Ministry of Health's <u>NutriScore</u>.
- In the U.K. and Ireland, worked with the U.K. Department of Health and Social Care's to adopt a <u>traffic light approach</u>.
- In the U.S., many of our brands use voluntary <u>Facts Up Front</u> labels provide clear information about calories, saturated fat, sodium and total sugar content, and, optionally, nutrients such as fiber, potassium, vitamin D and calcium.

We also share nutrition information about our foods with people through a wide variety of other channels. For example, our *Kellogg's® Open for Breakfast®* digital platform in the U.S., Latin America and Australia/New Zealand, invites people to ask questions they have about our food, and we answer. We also share behind-the-scenes stories about who we are as a company and how we make our foods. *Kellogg's® Open for Breakfast®* seeks to drive dialogue with people about community, sustainability and nutrition. People also can contact the Consumer Affairs teams that support each of our regions and reach out via Twitter and Facebook.

In the U.S. and Canada, our Did You Know campaign explains the wellness benefits of cereal on-pack, online and in-store. We believe that knowledge is power, and



we're committed to empowering people by serving up surprising, rewarding, and enlightening facts about cereal so they can make choices that support their wellness journey.

#### **Engaging Investors**

Kellogg also is committed to participating in conversations with investors. We understand that investors have a fiduciary responsibility to their clients and work to maximize the probability of attractive long-term returns. As a business, we in transparent conversations with investors. For example, one investor, Green Century, worked with us to adopt a palm oil policy to protect forests and endangered species in Southeast Asia. Following conversations with them, 100% of our palm oil purchases are now covered through sustainable RSPO Mass-Balance, Segregated or RSPO Credits.

We have committed to responsible source 100% of our priority ingredients by the end of 2020

In 2019, <u>JLens</u> named Kellogg Company to its 2019 List of 18 "Most Kosher" U.S. Companies. JLens is the only Jewish investor voice influencing corporate values in the boardroom. Kellogg shared with JLens its goal to transform food systems by innovating plant diversity into our portfolios while sourcing our ingredients responsibly. We have committed to responsible source 100% of our priority ingredients by the end of 2020 (corn/maize, wheat, rice, oats, potatoes, sugar cane, sugar beet, cocoa, palm oil and fruit) including making a no deforestation/no carbon peatland burning/no exploitation policy for palm oil. These, and our commitment to 100% renewable energy by 2050, were among the many reasons JLens recognized the company. JLens also praised our holistic wellbeing strategy, noting that our "framework fosters coexistence strategies for employees and consumers by empowering socio-emotional and physical wellness."

#### **Engaging Elected Officials**

Hungry children need a voice. When their only meal may be a free school lunch or breakfast, we need to know so we can help expand feeding programs and connect families with local food banks. When school is out of session and the cupboards at home are bare, we need to know so we can support summer feeding sites. No matter the circumstances, when children are facing hunger, we work to create positive, healthy futures for them and their families.



To drive policy changes toward hunger relief, we meet regularly with legislators around the world to advocate for feeding programs.

#### Advocating for Nutrition Access in the U.S.

We engage with government stakeholders on a broad array of nutrition assistance programs that feed families in need. We work with the U.S. Congress and Department of Agriculture to ensure that feeding programs meet the needs of our consumers. Specifically, we advance solutions around the <u>Supplemental Nutrition</u> <u>Assistance Program</u> (SNAP), which fed 35.7 million people in 2019, and the <u>Special</u> <u>Supplemental Nutrition Program for Women, Infants & Children</u> (WIC), which fed 6.4 million people in 2019, to offer them a variety of choices through user-friendly shopping experiences.

We also are closely engaged on programs that feed children nationwide, like the National School Lunch Program, School Breakfast Program, summer meals and more. We know that in the U.S., six out of seven children who eat a free or reducedprice lunch at school don't have access to the same nutritious meals during the summer and even fewer have access to breakfast. We work with nonprofit partners like No Kid Hungry to expand nutrition access for America's children, and we bring colleagues along on this journey by educating them on hunger and providing opportunities to connect with their elected officials on these important issues.

#### Advocating for Nutrition Access in Latin America

Kellogg is committed to supporting nutrition access throughout the world. In 2019, in our Latin America region, Kellogg partnered with the <u>National System for</u> <u>Integral Family Development (DIF)</u> and the <u>Education</u> <u>Service Unit for Queretaro (USEBEQ)</u>, two Mexican government institutions. Together, we amplified our support to vulnerable schools located in remote communities in the state of Queretaro in celebration of Children's Day.



Every year, for the past 15 years, Kellogg Mexico

celebrates this day by donating food to public schools in Queretaro, the base of our operations in the country and our regional headquarters. These foods are used at local festivals to celebrate the children. In total, we delivered 35,000 servings of our food, distributed to 210 schools around the state.

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Kellogg also has successfully collaborated with several state Governments in México to create a school program that provides tools to children, teachers and parents to make better decisions about their diet by incorporating daily breakfast. The content of the program was developed also in collaboration with a multidisciplinary team of experts in food orientation programs and nutrition education (nutritionists, teachers, psychologists, communication). To date, this initiative has reached thousands of families, 165,000 children and more than 450 schools through educational materials, dynamics and physical activation, and activities promoting awareness of and reflection about the benefits of breakfast.

#### Advocating for Nutrition Access in Europe

Kellogg Company plays an active and constructive part supporting governments' efforts to address undernutrition and food security across Europe and is actively engaged with governments to support our commitment to wellbeing. Following are examples of successful initiatives in the region.

- In England, where Kellogg supports breakfast programs, a company representative sits on the <u>All Party Parliamentary Group for School Food</u>, which is chaired by Member of Parliament (MP) Sharon Hodgson. The meetings take place three times a year and Kellogg provides updates on the support it provides to school breakfast clubs in the form of cash grants. The company frequently commissions research on the benefits of breakfast clubs. When these studies are administered, Kellogg communicates to all members of the All Party Parliamentary Group and the Department for Education. This research has been used to convince the government to fund breakfast clubs in the most disadvantaged areas and resulted in an investment of £26 million over three years from the Department for Education.
- Kellogg also submitted evidence to former MP Frank Field's inquiry into child hunger during the school holidays. Our research was used in the campaign which resulted in the Department for Education funding a £9.1 million program of support throughout England.
- Our European team also leverages breakfast clubs as an important social intervention throughout the region. In Europe, almost a quarter of all children are at risk of poverty or social exclusion<sup>18</sup> and 20% of households with children under 15 are unable to buy enough food to feed the family<sup>19</sup>. Breakfast clubs

<sup>&</sup>lt;sup>19</sup> Audrey L, Pereira L, Handa S, Holmqvist G. Prevalence and correlates of food insecurity among children across the globe. Office of Research — Innocenti Working Paper WP-2017-09, June 2017. New York: UNICEF.



<sup>&</sup>lt;sup>18</sup> Eurostat (online data code: ilc\_peps01).

are a valuable social intervention that offer nutrition, educational and social benefits to these children. Although Kellogg has worked with partners to deliver breakfast programs in Spain, Italy, Denmark, Sweden and Germany, the model is not yet recognized as a widespread intervention in social policy except in the United Kingdom, where over 85% of schools have some sort of breakfast programs<sup>20</sup>.

• Kellogg is now forging partnerships with stakeholders active in the field of child poverty and social service policy to work toward a better integration of school-based breakfast programs into national policy in Europe.

# CONCLUSION

Through our Deploy for Growth business strategy and our *Kellogg's*® *Better Days* commitments we're driving physical, emotional and societal wellbeing, among other priorities. We're innovating and reformulating nutritious foods, and making nutrition accessible to those in need and of limited means. At same time, we're driving positive change for the planet so we can help feed our ever increasing population with more nutrient-dense, plant-based foods. This work all ladders up to SDG #2 – Zero Hunger and its aim to "end hunger, achieve food security and improved nutrition, and promote sustainable agriculture by the end of 2030."

<sup>&</sup>lt;sup>20</sup> The Kellogg's Breakfast Club audit, 2014.

