



BELONGING



LEADERSHIP



ALLIES



COMMUNITY



FUTURE



GROWTH

2018

FEATURES

DIVERSITY AND INCLUSION ANNUAL REPORT





2018 FEATURES

DIVERSITY AND INCLUSION ANNUAL REPORT

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OUR DESIGN

The design inspiration for this edition of Features is the many, diverse and inclusive people we have around our Kellogg world. Diversity & Inclusion is not just the right thing to do, it also creates a **culture** where all employees are inspired to share their passion, talents and ideas – inclusive of differences in personality, race, gender, and sexual orientation.

Throughout this report, you’ll find vibrant colors, different from each other, yet complimentary and harmonizing – representing our **global and inclusive community of passionate people** making a difference.

- Regina S.
HR Intern Kellogg Latin America.



SPOTLIGHT

June 2018 marked an important milestone in Kellogg's Diversity & Inclusion journey with the launch of the **European Diversity & Inclusion Council**. This is the first time a council of this nature is formed outside the North America region. Sponsored by Lesley Salmon – VP and Chief Information Officer - and lead by Jane K. – European Talent & Diversity Manager – the council's objective is to bring **consistency and common understanding for D&I across Europe**. It also seeks to evolve the region's thinking on the topic by helping to identify areas of opportunity that can make a big impact to business strategy. Whilst gender representation is a primary area of focus, the council will also work to expand diversity education efforts, broaden senior leadership sponsorship and enhance D&I data analytics to aid in decision-making. The group is comprised of members representing all clusters, functions and categories within the European region.



MEET OUR KELLOGG EUROPEAN DIVERSITY & INCLUSION COUNCIL

A message from our chairman & CEO

Steve Cahillane

Chairman and Chief Executive Officer

Welcome to Features, Kellogg Company's annual publication highlighting our Diversity & Inclusion (D&I) efforts and accomplishments. Our company's commitment to diversity can be traced back to our founder, W.K. Kellogg, who was a pioneer in employing women in the workplace and reaching across cultural boundaries.

Today, we continue to live our founder's values as we make Diversity & Inclusion top priorities in every facet of our business. We're building a high-performance, inclusive culture of employees and supply chain partners to help us better serve the needs of our diverse consumers.

Through our Deploy for Growth strategy, we've seen firsthand the business advantages of fostering an inclusive culture and diverse workforce: lower recruiting and retention costs, better engagement that leads to increased productivity, better thinking that keeps us innovative, and a workforce that reflects those who enjoy our products.

We remain focused on retaining, developing and recruiting to ensure our bench at all levels is a reflection of the consumers we serve. Our goal is to become an employer of choice for all – and the company of choice for our customers and consumers. People will always be our competitive advantage, and our **K Values** will forever remain the foundation of our culture.

We are committed to creating an environment where all employees are included, are treated with dignity and respect and are in a position to contribute to our future success. Fostering all employees' passion for our business will help us win in the marketplace. Yes, a diverse and inclusive workplace is a competitive imperative, but it's also the right thing to do.



A message from

our global head

of diversity&inclusion

Mark King

Global Head, Diversity and Inclusion

As a company with heart and soul, Kellogg is committed to creating a diverse and inclusive environment where all employees are encouraged and supported to be their authentic “whole selves”. This empowers each of us to bring our most creative thinking, do our best work, challenge the status quo, and achieve our full potential – which is good for all of us and good for our business.

We continue to reinforce our commitment to inclusion, diversity and fostering a strong sense of belonging across the organization. We strive to reflect the diversity of our consumers at all levels of the company and have done much to achieve this objective. And, we are firmly committed to making continued progress. We have also made advancements toward several other global Diversity & Inclusion goals, including: understanding bias in the workplace and how we can better manage it, further raising cross-cultural awareness, building a more diverse supply chain and integrating Diversity & Inclusion across all aspects of our company’s growth strategy. This year, we’ve seen our eight Business/Employee Resource Groups (B/ERGs) expanding into new territories and topics around the world. The groups are working in innovative ways to help achieve our company’s growth goals, from engagement and professional development, to collaborating with brand teams, expanding the reach and accessibility of our products.

As we look to 2019, we will formally introduce the topic of “Belonging” to the organization, and how it can help each of us have a stronger sense of connection with our colleagues and teams. As we expand our focus to diversity, inclusion and belonging, we will work to further build a culture where all employees are inspired to share their passions, talents and ideas, better serving the needs of our diverse consumers by delivering fresh thinking, product innovations and quality brands.

Workforce diversity is a journey, and there is always more work to be done. Have feedback or an idea to share? Drop us a line at diversity.inclusion@kellogg.com.

Thanks to all for your continued commitment to Diversity & Inclusion at Kellogg.



A handwritten signature of Mark King in a dark grey or black ink. The signature is stylized and cursive, appearing to read 'Mark King'.

Diversity Snapshot*

Workforce Representation



Our global leadership team

7 WOMEN



14 MEN



Our board of directors

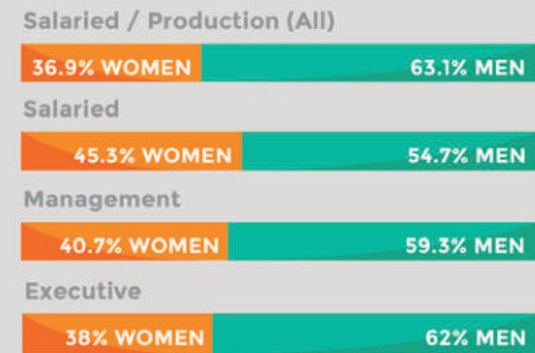
5 WOMEN



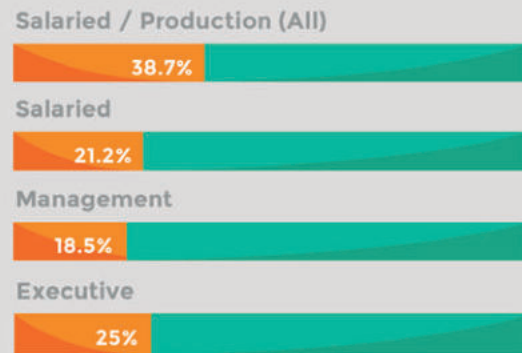
7 MEN



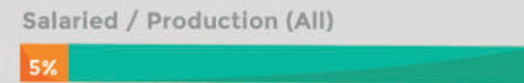
Global female representation



U.S. People of color



U.S. Veteran Representation



U.S. Employees Members of a B-ERG

16%

Additional Accomplishments

21 Key Learning & Development events

2,694 Skype attendees from around the globe

1,980 Community Service volunteer hours

*Data as of Q3 2018 unless otherwise noted

Diversity - Related Philantropy

In 2017, **MORE THAN 95%**

of our cash & in-kind contributions from Kellogg Company and its charitable funds were given either to organizations that serve people in need (e.g. Feeding America, United Way) or to diversity-specific organizations.

AWARDS & RECOGNITIONS



2018 National Association of Female Executives Top Companies for Executive Women



2018 Military Times Best for Vets Employers



Diversity Inc 2018 Top 50 Companies for Diversity - #18, up 10 spots vs. 2017 Top Companies for Veterans & LGBT Employees



Working Mother Best Companies for Women in India



Stonewall Diversity Champion of Stonewall



2018 Black Enterprise 50 Best Companies for Diversity



ERG & Council Honors Award 2017



2018 Human Rights Campaign Corporate Equality Index Perfect Score



2019 Human Rights Campaign Corporate Equality Index Perfect Score: U.S. & Mexico



2018 Working Mother Diversity Best Practices Inclusion Index

OUR D&I TEAM



Shaughn K.

Mark King

Carol L.

Luis S.

Supplier Diversity SNAPSHOT

We rely on more than **20,000 suppliers** for the ingredients, packaging and services that help us achieve our vision of enriching and delighting the world through foods and brands that matter. And just as we expect our workforce to mirror our diverse customers, we have the same goal for our supplier community.

	from 1999	to 2017
number of Suppliers	65	155
diverse suppliers Spend <small>In numbers</small>	< \$50 M	\$435 M



WBENC
America's Top Corporations for Women's Business Enterprises



2018 Omnikal
for Multicultural Business Opportunities



2018 LGBTQ Business Equality
Excellence Award

Special recognitions:

- National Business Inclusion Consortium
- Women's Enterprise National Council
- Omnikal
- Affinity Magazine
- Gordon Food Service Diversity Award
- Ohio River Valley Women's Business Council

Kellogg Receives

"BEST OF DECADE" AWARD

for Supplier Diversity Efforts



Building a diverse supplier base has long been an integral part of Kellogg's diversity strategy. This year the company was recognized for its efforts by **Minority Business News magazine**, joining other large corporations on its "Best of the Decade" supplier diversity list.



"What we're doing in supplier diversity aligns with our corporate identity,"
- Debra Q.

For Debra Q., Manager of Supplier Diversity, the award was a welcome recognition of the company's long-term commitment to supplier diversity. "There are a lot of newcomer companies that have made a big splash. But they haven't been around for a decade," she said. "It's nice that we are chugging along, and staying committed to our business case for supplier diversity."

Over the last decade, Kellogg's supplier diversity efforts have expanded significantly. In 2008, diverse supplier spending totaled about \$50 million. This year, that figure is up to \$450 million. The company has also widened the definition of "diversity" in our supplier chain. Kellogg previously tracked spending only for women and minority-owned businesses.

Now the company works to engage a wide range of diverse suppliers, including companies owned by veterans, LGBT individuals and those with disabilities.

Kellogg has also continued its efforts to help our suppliers grow, through the annual supplier fair, minority business events and mentoring support.

In addition, this year, Kellogg

executives joined the boards of two of the country's oldest and largest supplier diversity organizations – the Women's Business Enterprise National Council (WEBNC) and the National Minority Supplier Diversity Council (NMSDC). The positions allow Kellogg greater visibility into and alignment with the groups policies and best practices.

"What we're doing in supplier diversity aligns with our corporate identity," said Debra. In addition to adding to the company's diversity values, the supply chain efforts are also key to Kellogg's long-term, sustainable growth. "Our diverse suppliers bring that diversity of thought, that innovation. Oftentimes they are more agile in going to market," she said. "Done correctly, supplier diversity should be contributing to that top line and bottom line."



Meet Meryl Kennedy

Meryl, who grew up on her family's rice farm in northeast Louisiana, U.S, is now CEO of Kennedy Rice. Her company, a certified women-owned business, grows rice for Kellogg's Special K cereals in the U.S.

Alberto Raich

LATIN AMERICA REGION

Diversity and Inclusion Champion in Kellogg



Alberto Raich knows what it's like to be an outsider. The Vice President and GM Categories, Marketing, Innovation for Latin America and long-time Kellogg employee, grew up in Colombia. He also attended school in the U.S., served in the military, stationed in the Middle East, and has worked all over Central and South America.

"At some point in time, I was the one on the outside, I was the one that needed to be included," said Alberto, who is currently supporting a variety of diversity initiatives. **"That's why I value diversity and inclusion so much."**



His top priority on diversity is gender balance, and his team is working to hire more women into leadership positions.

"We have started to aggressively populate those positions not only to deliver against diversity goals, but to also build role models," he explained.

Geographical diversity is his second priority. Kellogg is trying to better match the representation of nationalities within the company with the wider market, for example by developing more employees from Brazil, one of the region's biggest markets, into leadership positions.

Supporting the next generation is his third priority on diversity, and he has been an active ally of the Young Professionals Business/Employee Resource Group. "They have a very different perspective on career paths," he said of millennial employees. They also have a lot to offer – "they are digital natives and are teaching us a lot about how we approach business moving forward," he added.

Alberto says there is one last frontier to conquer on diversity in Latin America: classism. "I think many of us are still caught up on the socioeconomic level," he said. Alberto is hoping to push this issue forward in the next year and find ways to bring more people from disadvantaged backgrounds and lesser-known colleges into the company.

In the end, the importance of diversity is directly tied to Kellogg's long-term Deploy for Growth strategy. **"With a diverse team, we can drive better innovation, better business models and a stronger social footprint where we are. We can't achieve that if everyone takes a cookie cutter approach,"** he said.

Alberto Raich,
VP & GM Categories, MKT,
INN & CD

Tanya D.

NORTH AMERICA REGION

Diversity and Inclusion Champion in Kellogg



Tanya D., who is of Indian descent and was raised in Dubai in United Arab Emirates, says she knew immediately that Kellogg culture and values emphasizing diversity made the company a perfect match for her.

"Growing up I was exposed to so many people of different backgrounds. That's why I consider Kellogg home, it fit very well with my background and passion for diversity and inclusion," said the Supply Chain Quality Manager.

After joining the company five years ago, she immediately became involved with Kellogg diversity efforts through Business/Employee Resource Groups (B/ERGs) and D&I Councils, serving as the lead for the Research, Quality, Nutrition and Technology (RQNT) D&I Council until 2017.

As part of that role, she helped bring national recognition to the RQNT D&I Council's work instilling a high-performing team culture that embraces diversity. Out of 1,300 applicants, the Council was one of 25 chosen for the 2017 ERG & Council Honors Award given annually by the Association of ERGs and Councils. Applying for the first time, Kellogg placed 20th out of the country's top 25 ERGs and D&I Councils, the only food manufacturing company to do so in 2017.

"It was a huge moment of pride, it was the first time we applied and it was not only a great way to benchmark our work not only within Kellogg, but also alongside leading companies. We knew we were doing great work but it was nice to also get external recognition."

Tanya D.,
Manager Quality Programs,
Quality Innovation

A part of the award, Kellogg's RQNT D&I Council was recognized for its outstanding work on D&I training forums and workshops, as well as strong leadership commitment to diversity.

While Tanya has finished her two-year leadership term in RQNT D&I Council, she currently remains an active member of KMERG (our multicultural focused B/ERG), and says she is always looking for more opportunities to strengthen the culture of diversity within Kellogg.

"I'm hoping to engage in more D&I efforts in Supply Chain," she said. **"We do great work at Kellogg, I'm proud of that, we just need to continue to spread the values of diversity and inclusion and leverage it for better collaboration, productivity and performance."**



Leslie Salmon

EUROPE REGION

Diversity and Inclusion Champion in Kellogg



As Vice President and Chief Information Officer for Kellogg Europe, Lesley Salmon is among a rare, but growing group of female corporate business leaders. Just 20% of CIOs in Fortune 500 companies are women, up from 15% last year.

"Throughout my career I had been a gender minority and faced the common challenges of being different," said Lesley. She experienced many of the pitfalls of being a woman in a male-dominated industry, including harassment and being judged by the double standards set for women in the workplace.



Lesley Salmon,
Regional Chief Information Officer

"Had I not been so fortunate to have the family support that I did, I may have given up on my journey," she explained. Once she joined Kellogg, she said she really began to think about the impact diversity & inclusion for the first time. Now, as an active member of Women of Kellogg (WOK) and a sponsor of the newly-formed European Diversity & Inclusion Council, Lesley calls herself "an all-around evangelist for D&I in my everyday life."

She believes that diversity & inclusion can drive a range of powerful benefits. According to one study, companies that actively encourage diversity are 20-30% more profitable, and a more inclusive workforce is able to better understand customer desires. She also points to the morale-boosting benefits of diversity: **"From my personal experience, I can honestly say the happiest teams I have had the pleasure of working with were also the most diverse."**

Moving forward, Lesley says leaders within Kellogg should be proactive and ambitious about diversity targets in order to push the company forward. "If you aren't consciously inclusive, you are at risk of being exclusive," she said. "So having D&I front of mind is one of our biggest opportunities."

The European D&I Council are hoping to take advantage of that opportunity and is in the process of setting new goals for the region. For Lesley, the stakes are both professional and personal. **"As a mum, I want to make the future a more diverse & inclusive place for the next generation."**

Gerald Mahinda

ASIA PACIFIC REGION

Diversity and Inclusion Champion in Kellogg



Gerald Mahinda, Managing Director of Kellogg Sub-Saharan Africa, sees diversity and inclusion as an important growth driver. "It puts us in a better position to understand and meet the needs of our diverse consumer and employee base – after all, women are our primary purchase and consumption decision makers," he explained.

But, for Gerald, the power of diversity in the workplace goes beyond just competitive advantage. **"In Africa, we say when you empower a woman, you empower a nation,"** Gerald said. After working in several countries across the continent, he says he has seen the benefits of a more inclusive workplace firsthand. **"For me, it's not a theory,"** he explained. **"Diversity generates better strategies, better risk management, better debates, and thus better outcomes overall."**

As Kellogg grows across Africa, Gerald says his team is focused on making the company a better place for women to work. This includes supporting flexible work policies and career advancement opportunities, and building a network of female role models for new entrants to the company. He is also advocating for unconscious bias programs to help enable people to better deliver on the D&I agenda.

Across the region, Kellogg has made a deliberate effort to develop women for leadership roles, which has resulted in the first-ever woman to run the Springs Plant in South Africa. Female representation is growing in entry-level positions too – 80% of this year's graduate intern class are women.

While the progress on D&I is promising, Gerald says there is still room to grow. **"The biggest challenge is helping people across all ranks of the business understand the benefits of D&I and the reasons why we need to have a diverse workplace in Africa."**

Despite these challenges, Gerald remains committed to maintaining a proactive role in D&I and creating an enabling environment for women to grow their careers within Kellogg. "It takes real commitment to make D&I work so, as head of the business, you need to drive it," he said. **"The most effective way to overcome our challenges is to talk about D&I at every opportunity and most importantly, to walk the walk. We don't always get it right, but we are on the right track and there is commitment to achieve even more"** he added.



Gerald Mahinda,
GM South Africa

Special K Rebrands to CONNECT WITH WOMEN OF TODAY

Kellogg Latin America

Kellogg's Special K brand has long been synonymous with women and weight loss. But, as body image standards continue to evolve around the world, many brands are changing their approach to better reflect the concerns of women today.

Kellogg has responded to these shifts with a global relaunch of the Special K brand, one more focused on women's nutrition. The new Special K brand is focused on creating foods to help every woman live life at full strength.

"The question was, how can we redefine the brand and offer something truly relevant to this new woman, who is not worried about just body shape anymore?" said Jimena S., Brand Manager for Special K Latin America, which rolled out the rebrand earlier this year.

In Latin America, the rebranding is anchored by new advertisements that aim to show women in a more honest, multi-dimensional way and encouraging them to feel empowered to do exactly what they want. New packaging, an updated, nutrient-rich cereal formula and new, natural flavor options were also launched.

"We aim to become an ally in women's nutrition and encourage them to achieve everything they want, whatever that might be," said Jimena.

One challenge of the campaign, Jimena says, is that Kellogg didn't want to simply replace old stereotypes for new ones. "Before it was all about being feminine, being a good wife and good mother. Now many brands are still talking to women the same way, telling them that they need to be strong and run a marathon. We need to move away from stereotypes" she said. "Every woman is unique. Let them find their inner strength to go after what they think is best."

In Latin America, the rebranding comes at an exciting time for women, when there is more female representation in the workplace and more discussion of gender equality. But there is still much progress to be made.

"More than ever before, women are free to express themselves as they truly are," added Jimena. **"But the pressure placed on women is still there."**



Click the picture to watch the video

Eggo Campaign Puts HISPANIC FAMILIES AT THE CENTER

Kellogg North America

In the United States, the Latino/Hispanic population is one of the fastest growing racial or ethnic groups within the US, offering an opportunity for brands to better connect with new consumers.

"Eggo is seeing strong sales and an increase in Latino/Hispanic household penetration, but that penetration is not keeping pace with the overall growth rate of Latino/Hispanic families in the US," said Amani B., Senior Brand Manager. **"We saw that there was an opportunity to increase Eggo awareness with this growing consumer base."**

In order to better connect with the Latino/Hispanic market, Amani and her team worked to, for the first time, design an Eggo marketing campaign with Hispanic cultural insights at the center. "In the past, we have done shadow shoots with a Spanish speaking cast. But, that doesn't give the brand the opportunity to truly connect with this consumer by creating advertising that is culturally relevant," said Amani.

For the latest Eggo campaign, which began airing in June, Amani and her team worked with internal and external research partners to gather specific consumer insights. They also enlisted the help of HOLA, the Kellogg Business/Employee Resource Group focused on Hispanic/Latinos, which encompasses many nationalities, to help reflect the many nuances found across Hispanic/Latino cultures.

Amani and her team used these insights to craft a message specifically targeted at Hispanic consumers alongside the launch of the new Eggo campaign, "L'Eggo Your Eggo." The new ad features a little girl sharing her Eggo waffle with her dad during a critical, and exciting, moment in a soccer match.

"This new L'Eggo Your Eggo" campaign centers around the idea that while you like keeping them for yourself, Eggo waffles are too good not to share," she explained. **"That actually resonates much better with the Hispanic consumer because, culturally, food is a very communal experience."**

Preliminary results from the campaign indicate improved engagement within this segment, and Amani says that the brand team plans to increase investment across television, digital and social to better market to Hispanic consumers. As Kellogg continues to evolve its approach to marketing, this type of culturally-insightful marketing could provide a map for future growth.

"Obviously, representation matters. When you're a minority, when you see yourself and your life reflected back to you on TV, it feels more relevant," she added. **"And as we learn from this approach we will be better able to reflect the diversity of our consumer base."**

L'Eggo your Eggo



Click the picture to watch the video



OFFICIAL WAFFLE OF MLS

Kellogg Teams Up With Researchers to Promote HEALTHIER HABITS DURING RAMADAN

Kellogg Europe

Each year, Muslims around the world commemorate the holy month of Ramadan by fasting between the hours of dawn and dusk. Ramadan is one of the most important periods of the year in Muslim communities, but it can also be physically challenging.

Many people actually tend to gain weight and may have increased cholesterol levels during Ramadan because they become more sedentary during fasting hours and overeat during Iftar, the evening fast-breaking meal. Some people also often skip Suhoor, the meal served before dawn, which can lead to falling blood sugar levels or dehydration throughout the day.

In the interest of finding ways to provide better nutritional guidance during Ramadan, team members from the Kellogg Europe, Middle East and Africa (EMEA) region, teamed up with local professors in the United Arab Emirates to research the benefits of high fiber meals. **“Research done on health and nutrition in the Middle East is very scarce and so there was a need for studies that could shed some light on certain nutrition related topics,”** said Toine H., EMEA Director of Nutrition Sciences.

Toine, along with Product Developer Basma A., worked with Dr. Ayesha Al Dhaheri of the United Arab Emirates University to run a scientific study on the nutritional effects of eating Kellogg’s All-Bran Raisins and Flakes, a high-fiber cereal, during the Suhoor meal of Ramadan.

During the study, researchers found that study participants who ate All-Bran during Suhoor reported lower levels of hunger around noon, better digestion, and lower levels of total cholesterol and LDL cholesterol, as compared with the people that did not consume All-Bran.

They also consumed about 26 grams of fiber daily, the daily recommended amount, compared to only 18 grams per day in the group not eating All-Bran.

Based on these successful findings, Kellogg’s team members worked to disseminate the benefits of a fiber-rich diet during Ramadan to scientists and officials from the Middle East, including the National Nutrition Institute of Egypt and the responsible Minister of the UAE.

“Evidence is strong that a high-fiber Suhoor will help people to have an easier and healthier Ramadan, which is why it’s so important that we share this information with everyone who wants to fast healthier during Ramadan,” said Toine.



Kellogg’s Southeast Asia Puts the Focus on WORKING MOMS IN THAILAND

for Mother’s Day Ad

Today, nearly half of the working population in Thailand is female, the highest percentage in the region. But as more and more women enter the workforce, they are often torn between spending time with their children and striving to create a brighter future for them.

Earlier this year, Kellogg’s Southeast Asia partnered with the J. Walter Thompson Singapore advertising firm to investigate the motivations and aspirations of working moms in Thailand. The team interviewed local moms and found that, while many were pressed for time throughout the day, mornings are a particularly stressful time as they rush to get themselves and their children ready for the day. As a result, many working moms often skip the traditional Thai breakfast of a warm rice dish.

Based on these cultural insights, JWT created a special Mother’s Day ad campaign that celebrates working moms in Thailand and highlights the power of eating breakfast together as a family.

“As the social landscape continues to change, more people are choosing brands that connect with their personal values and lifestyle choices,” explained Jessa R., Category Manager SEA.

“Kellogg’s wants to support busy working moms by offering a convenient, yet tasty breakfast solution that helps nourish their family and make every morning great.”

Click on the picture to watch the video



Spreading the WORK-LIFE BALANCE MESSAGE in Kellogg Latin America

In order to attract and retain talent, companies have to provide compelling benefits in an increasingly competitive landscape. When Monica M., Total Rewards Manager for Latin America, and her team analyzed main value propositions offered by Kellogg, they found that the company matched its competitors in most areas. But they also discovered that there is still work to do in promoting work-life practices and policies within the company.

“Even though we were well-aligned with the market in terms of work-life balance flexibility offerings, we found that employees don’t actually use those programs as much as we would like,” Monica explained.

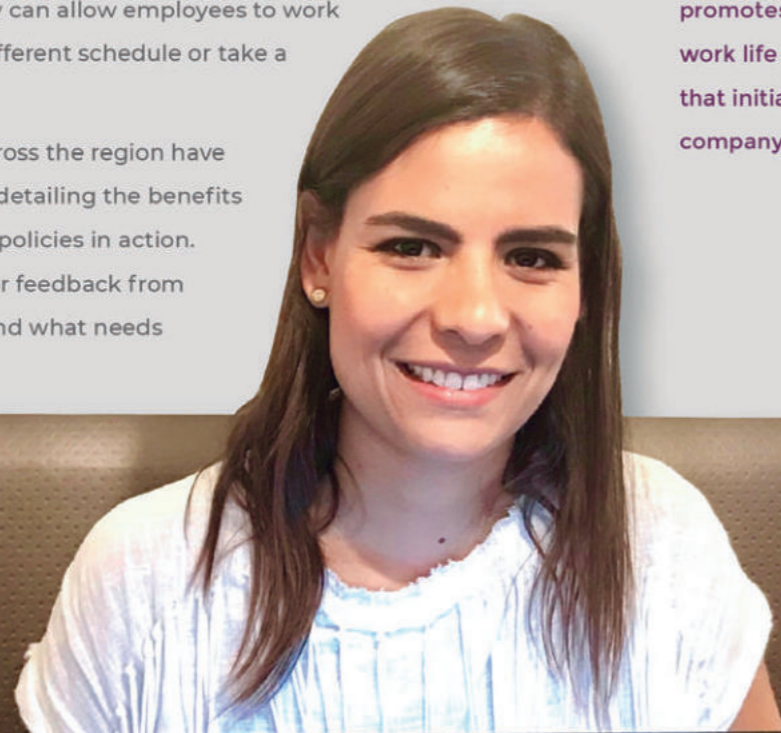
Monica and her team recognized an opportunity to build greater awareness of the work-life balance benefits and decided to focus first on people managers to reach the greatest number of employees. “Sometimes managers don’t know they can allow employees to work from home when needed, work on a different schedule or take a month off to study abroad,” she said.

Since last year, 110 People Managers across the region have completed the half-hour training class detailing the benefits and best practices of work-life balance policies in action. The training has also created a space for feedback from People Managers on what is working and what needs improvement.

Beyond spreading awareness of the resources available, Monica says there is a cultural hurdle to overcome too. “In Latin America, we wouldn’t usually ask to leave early or work remotely because we are afraid of judgement,” she explained. “For me that is the most challenging part of our work, convincing people that it’s ok to do this as long as you keep achieving your goals”

There are many signs of progress, however. “We are more welcoming now of different arrangements that, in the past, we would never think of,” added Monica. For example, more and more fathers are taking long paternity leave. Besides promoting retention of top talent, flexible work arrangements and leave policies are a key part of building a more diverse workforce.

“If we want to be a company that promotes diversity and inclusion, the work life part is a basic part of fostering that initiative and is a win/win for the company and employees,” said Monica.



Kellogg Intern Program Supports DIVERSITY & GROWTH OF TALENT PIPELINE in North America

Building a more diverse talent pipeline is one of the main areas of opportunity facing many companies today. One way Kellogg is tackling this challenge is through its annual Intern Program, which has strengthened participation across the company and sharpened its focus on diversity in recent years.

When it started in 2012, the Kellogg Intern Program only operated in three business functions – Sales, Human Resources and IT. Since then, the program has undergone regular strategic upgrades, including rolling out a Diversity Strategy in 2015. Now, each year, 75-100 interns are placed across all major business functions and racial diversity in the program has steadily increased. The 2018 intern class was 63% diverse by race, compared to just 22% in 2013.

“Diversity & Inclusion and Talent Acquisition are most effective when we work as partners. There’s a wonderful synergy that happens when you bring us together,” said Niki R., University Relations Manager.

Under its Diversity Strategy, the University Relations team hosts recruitment events at Historically Black Colleges and Universities, and partners with organizations such as the Thurgood Marshall College Fund, as well as at the Hispanic Association of Colleges and Universities.

The team continues to expand its reach and approach to diverse students across the country, searching for top-tier talent among traditionally under-represented demographics. This fall, the team is rolled out a new recruitment strategy for student veterans and also partnered with Kellogg’s Kapable Business/Employee Resource Group (B/ERG) to develop a recruitment strategy for students with disabilities. Crucially, conversion rates – the number of interns that become full-time employees – have steadily improved from 17% prior to 2012, to 68% in 2017.

“We recognize it takes time for strategies to pay off. We have invested resources, grown our reputation on campus, and our interns are now serving as ambassadors to their peers regarding the great opportunities here at the company,” she explained. Kellogg interns receive a sign-on bonus and competitive pay for the 12-week program, along with access to professional development and mentorship opportunities. Niki sees the Kellogg Intern Program as a long-term investment in Kellogg’s future growth and next generation of leaders.

“Diversity of thought for the organization is key. Our consumer base is exceptionally diverse and Kellogg, as a company, will be most successful in reaching these demographics if we reflect that same level of diversity in our full-time employees,” she said.



“As interns, we get to work with individuals who really care about you – not only your professional goals but also your personal goals.”

- Maria H.
Human Resources
Intern

Annual Dublin InKlusion Conference Expands CONVERSATION ON CULTURAL DIVERSITY in Europe

As more and more people continue to immigrate to new parts of the world, countries around the globe are becoming increasingly culturally diverse. This is especially true across Europe, and the Kellogg office in Dublin, Ireland, where 19 different nationalities are represented in a single building.

Enabling this diverse group to effectively work together is a key priority for the InKlusion committee in Dublin, and the annual conference in May reflected this goal. Committee members worked with Right Track, a consultancy that specializes in exploring cultural difference at work, to design an agenda focused on building cultural understanding through group events and conversations.

“Historically the work of the committee focused on gender, but this year there was very much a sense in the office that we can do more work to help each other understand national culture and how that influences not just who we are, but how we work,” explained Anne-Marie K., InKlusion committee member.

The InKlusion conference placed cultural conversations center stage. President of Kellogg Europe David Lawlor spoke about how cultural diversity helps to broaden perspectives, to unlock agility and, ultimately deliver growth.

Other events featured personal accounts from expatriate employees about their own experiences with culture shock in Ireland and an interactive role-playing exercise designed by external consultants. Anne-Marie says that by broadening the theme of this year’s conference, they were able to attract more people to the event

For many attendees, the experience helped contextualize cultural differences in the office. For example, one attendee explained that learning about the French education system from a colleague helped her better understand the thinking and mindset of her French coworkers.

“You take it for granted that all colleagues will easily form relationships in the work environment and never consider if cultural difference could get in the way,” she said. **“The power of this event was having dedicated time to focus on yourself and how you appreciate cultural diversity in the workplace.”**



Kellogg Opens NEW OPPORTUNITIES FOR WOMEN in India

As in many places around the world, more and more women are seeking to enter the workforce in India. But they still face numerous barriers to employment, including certain biases, one of which is that men are better suited to technical manufacturing jobs than women.

Kellogg leaders at the Sri City factory saw a chance to change this bias. Because of state law, women were not allowed to work the night shift at factories. As an equal opportunity employer, Kellogg executives raised the issue with the Chief Minister in the state of Andhra Pradesh and requested the official to open up the night shift – also known as the third shift – to the other half of the population.

The government of Andhra Pradesh lifted the ban on female workers in factories, provided that companies ensure several key safety and gender equality measures. These included an assurance of equal opportunities for women, separate cafeteria and toilet facilities, night nursery facilities, and sexual harassment protection measures.

Kellogg Sri City worked to implement these measures, and also now provides additional measures to ensure the safety of all its employees, including residence pick-up and drop-off services and the use of female security guards during the third shift.

The effects of these changes have been enormous, opening up new opportunities to women around the region. At Kellogg’s Sri City plant, the number of women technicians is six times higher than before the legislation change.

“I’m very happy to work here, it’s a very safe place to work for women,” said Lavanya, one of the first women to

take up the third shift at Sri City. She said she plans to continue working at the plant after she is soon married.

“It has given me a new life. I can say proudly that I’m a Kellogg employee forever.”



Kellogg Analyst Helps STUDENTS WITH SPECIAL NEEDS DESIGN INCLUSIVE CAFE MODEL in Latin America

Kellogg's strong community values were part of the reason Karla T., HRIS SS Process Owner, decided to first join the company. "It really feels like a company that cares about its role in society and giving back. I'm really happy to be a part of this amazing company" she said.

When Karla moved back to Monterrey, Mexico, to be closer to her family, she quickly found the perfect opportunity to give back. Her younger sister, a student at a special needs high school, was working on a graduation project that required her and her classmates to create a plan for a small business, as well as a website.

Their team decided on an inclusive café that caters to people with special needs. **"They told me, 'we always try to get together, but there isn't a place that is built for us',"** Karla explained. For their project, the students worked out the details of building a more inclusive space, including designing menus in braille and training workers to understand the different needs of people with disabilities. Karla designed the website for their project, but she says the students had a clear vision for their café, which they hope to one day make a reality.

"They are thinking about the future, because they are completely aware that they will not have their parents their whole life," she said. **"The students see the inclusive café model as a rare potential employment opportunity for people with special needs in a country that offers limited governmental support."**

There are also few, if any, cafes geared specifically toward customers with special needs in Mexico. "We hope we can get this be there for them in the future. And maybe be a new opportunity for Mexico too." Karla's sister and her classmates have graduated, and they are now working on ways to raise money for a café space in their free time.

For Karla, the project was a deeply fulfilling experience. "They helped me more than I helped them." she said. She also hopes it will inspire more Kellogg employees to be proactive about volunteer opportunities. **"We don't have to wait for the company to present volunteer projects to us,"** she said. **"We can think about how we can help our own communities and our own families right now."**



Local Honor Flight Group Brings 1,000TH VETERANS TO DC in North America

Bobbie B., a Customer Marketing Coordinator, has a passion for veterans and community service. When she first heard about Honor Flight, a non-profit that pays to fly veterans to Washington D.C., she knew she had to be involved.

In 2013, Bobbie, who is also the National Co-Chair of the KVETS & Supporters Business/Employee Resource Group, founded the Talons Out Honor Flight Group. They now serve 13 counties across Michigan. In September, the group marked an exciting milestone when it made its fourteenth flight with their 1,000th veteran on board.

The 1,000th veteran to fly was a 100-year old Navy vet and a survivor of Pearl Harbor. It was his first time to visit the nation's capital. **"Every veteran has an amazing story, and this one especially so,"** said Bobbie. She says that the vast majority of Honor Flight participants have never been to D.C. before, and to see the war memorials through their eyes is an incredible experience.

"Those aren't just gold stars or names on those memorials," she said. **"Those are their families and their friends. It's hard for many of them and there are lots of tears. But it's very therapeutic and it gives them closure and the ability to heal."**

She says her efforts at KVETS have aligned perfectly with her work with Honor Flights. KVETS members have been actively involved in the organization, some even serving as volunteers during flight days. "Honor Flights is a way of showing our veterans how much we appreciate them and, at KVETS, we are always looking outside the company to see what we can do to help the community." Bobbie said.

"Our number one goal at KVETS is to hire veterans and to help them transition into civilian life. Our K Values and their military values are so interconnected, it makes them a wonderful fit for the company."



Kellogg's Japan Seeks To Boost NUTRITION AND COMMUNITY AMONG AGING POPULATION in Asia Pacific

With over 40% of the population expected to be over 65 by 2060, Japan has one of the largest aged populations in the world. The country is known for its longevity, and some areas boast the highest lifespans in the world. While this is a testament to country's commitment to health, these aging demographics also present major challenges. Many elderly people live alone, raising concerns about the effects of isolation on their physical and mental health. Sadly, one in five Japanese aged 75 and older are considered malnourished.

In an effort to contribute to long-term solutions to these national problems, **Kellogg Japan this year launched a senior nutrition program under its Breakfast for Better Days agenda.** As part of the program, **Kellogg is donating cereal products to community organizations around the country. The aim of the program is not only to provide nutritious meals for those in need, but also to create more opportunities for communal eating among the elderly.**

Meals on Wheels Japan, one of the program partners, will provide Kellogg products as part of its signature meal delivery service to seniors living alone. Kellogg donations will also support 300 of the organizations' Community Canteens, which gather children, the elderly and others in a communal setting for nutritious food and conversation.



Kellogg is also partnering with local governments on their community support programs. Prefectural Community Chests support over 60,000 giving programs every year, about one quarter of which target the elderly. Kellogg is providing cereal products to selected locations with elderly activity groups.

Overall, Kellogg Japan has donated \$100,000 in the first year, aiming to deliver 100,000 servings of cereal at nearly 200 locations around the country.

The program plans to create #BetterDays across Japan, not just by increasing the longevity of those days, but making them nutritious and happy. Seniors will engage in activities, get counseling, and work on leading a healthy and productive lifestyle as they age, together. Kellogg employees will engage with partners on the ground to bring the community together, serve and engage, and change behaviors on nutrition for thousands of people.

* This work is supported by Kellogg Company Employees' 25-Year Fund.

Kellogg Partnership with CAMION DU COEUR in Northern France

While major strides have been made in attacking the problem of hunger in Europe, there are still many people that remain vulnerable to food insecurity across the continent.

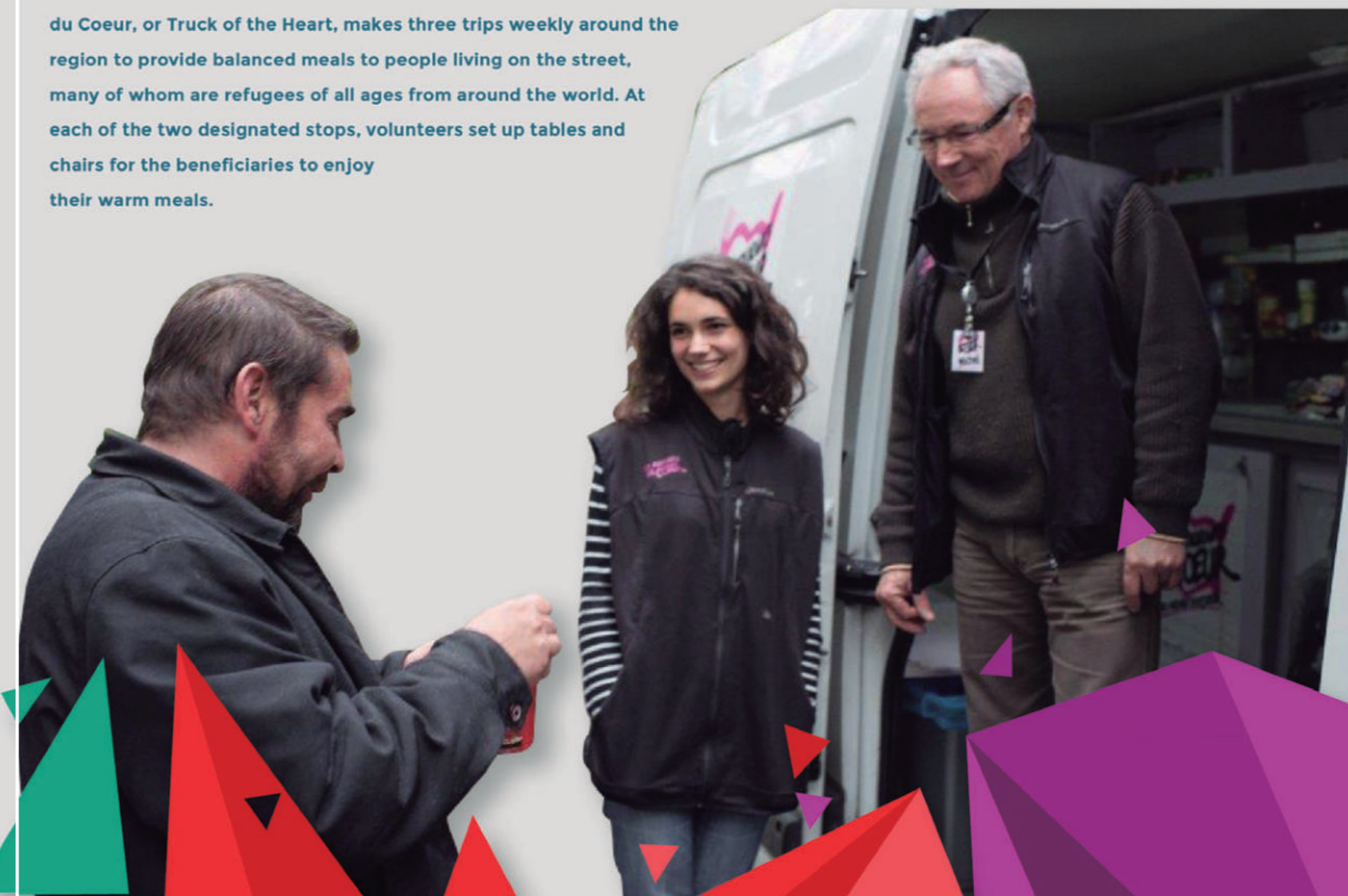
Since 2016, Kellogg France has partnered with Les Restaurants du Coeur, a French NGO focused on helping those in need with food donations and other social support programs for over thirty years. In 2017, and as part of the partnership, Kellogg provided financial donations to aid the renovation of a daycare center for homeless families in Limoges, France, including many single-parent families. The company has also made product donations and facilitated employee volunteers for annual donation events.

In 2018, **Kellogg worked with the NGO to support the launch of a food donation truck, the first of its kind, in Laval, France. Le Camion du Coeur, or Truck of the Heart, makes three trips weekly around the region to provide balanced meals to people living on the street, many of whom are refugees of all ages from around the world. At each of the two designated stops, volunteers set up tables and chairs for the beneficiaries to enjoy their warm meals.**

While the project initially faced skepticism from local leaders, it has been received warmly since it started in March of this year. And, by bringing food directly to those in need, the project helps reach people unable or unwilling to travel to fixed distribution and aid sites.

The Camion du Coeur project was so successful that Kellogg France is looking for new opportunities to help fund similar truck donation projects and also plans to extend its partnership with Les Restaurants du Coeur for another three years.

Over the last two years, Kellogg has donated more than 100 tons of food to the NGO and nearly 100 Kellogg employees have volunteered with the organization. Working with the NGO has allowed us to reach beyond the typical French family to nourish those in need.



Celebrating

SPIRIT DAY

with a Message of Belonging

On Spirit Day, Thursday, Oct. 18, millions of people joined GLAAD to 'go purple' – either by wearing purple or changing their social media profiles – to show their support for LGBTQ youth and to take part in the largest, most visible anti-bullying campaign in the world.

An official sponsor of Spirit Day 2018, Kellogg, together with our brands and employees, took a collective stand against bullying to send a message of solidarity and acceptance by proudly 'going purple'.

New this year – in celebration of Spirit Day and for one day only, Oct. 18 – limited edition **"All Together" Spirit Day cereal boxes**, were available exclusively at Kellogg's New York City Cafe to mix favorite Kellogg's cereals together in celebration of belonging no matter how you look, where you're from, or who you love. **All proceeds from Kellogg's "All Together Cereal" were donated to GLAAD.**

During the development of "All Together Cereal", K Pride & Allies, Kellogg's Business/Employee Resource Group (B/ERG) dedicated to LGBTQ equality, provided insight and guidance to ensure the company thoughtfully shared a message of inclusion, equity and belonging. Kellogg tries to approach all of its work through a thoughtful lens that reflects its founder's commitment to operating with humility and respect. The B/ERGs help support strategic business initiatives and are a resource for innovation and idea generation.



KELLOGG'S B/ERGS SUPPORT



Diversity Goals

Kellogg's strong network of Business/Employee Resource Groups (B/ERGs) is a critical part of the company's evolving efforts to expand diversity across the company. Around the world, these groups are working in innovative ways to help our long-term goals on growth and inclusion become a reality. In 2018 the Kellogg Latin America B/ERGs were busy advancing the diversity & inclusion agenda across multiple fronts. Our Women Of Kellogg (WOK) in Latin America continued to participate in Networking Together, Mexico's first organized cross-sector effort to support gender equality, which WOK helped create in 2017. Networking Together consists of 35 companies that meet every two months to share best practices on building a workplace that is more inclusive of women. The program has allowed WOK leaders to better support the company's efforts to improve talent attraction and retention among female employees, thereby helping to enable future growth.

"This has been a great experience to expand my external perspective and have the opportunity to learn from other companies and build my network," said Roxana M. of the initiative.

Also in Latin America, Young Professionals (YP) led Business Encounters, a networking program for YP members at the Queretaro, Mexico office to meet executive leaders. Each module focuses on a specific theme, and has fostered collaboration across business functions, helping to support growth at Kellogg.

"Business Encounters is giving us the opportunity to meet with highly recognized people in the company who contribute to our development," said one program participant.

For the third year in a row, Kellogg Latin America's K-Pride & Allies (KPA) continued to participate in the Mexico City Pride Parade. The 2018 parade drew 50 Kellogg employees, the largest contingent yet, and also included Toucan Sam, marking the first time one of the Kellogg characters has participated in this event.



In the Asia Pacific region, WOK continued to improve its Wokmatch.com initiative, a mentoring program started last year that matches high-potential junior female employees with more senior men and women in the company. In 2018, the program increased in duration from eight months to one year, and also added mentor profiles to further benefit their mentees.

The aim of the program, which has received overwhelmingly positive feedback, is to grow the pipeline of future female leaders and reach the 2020 goal for equal gender representation at the manager level.

"This program gave us a different viewpoint & opportunity to grow up," said one of the mentee participants.

In October of 2018, K-Pride & Allies announced the launch of its first European chapter, in the U.K. The new chapter was announced on National Coming Out Day, and has already attracted dozens of members. Kellogg also partnered with Stonewall,

Britain's largest LGBT charity and campaign group, to help ensure HR policies meet LGBT best practices and improve the existing network for LGBT employees and allies.

As part of the partnership, Kellogg will enter the Workplace Equality Index, Stonewall's annual report benchmarking the most inclusive organizations in Britain. **"This is so overdue,"** said Jane K., a KPA member. **"I'm so pleased we are starting this network and I look forward to the many ways it will support our inclusion work."** Also in Europe, WOK focused on expanding cultural diversity conversations in 2018, notably through its annual InKlusion conference, which highlighted the power of cultural differences in the workplace.

North America

B/ERGS ADD VALUE to Kellogg Operations



In 2018 Kellogg's growing network of Business/Employee Resource Groups (B/ERGs) continued to support the company's diversity & inclusion efforts and long-term growth and innovation initiatives.

For example, the Kapable B/ERG whose focus is supporting individuals with disabilities and their caregivers, teamed up with the Snacks Business Unit to expand the accessibility of the Rice Krispies Treat "Love Notes" campaign. By partnering with Kapable, the Rice Krispies Treat team realized that the campaign, which included a heart-shaped space on treat wrappers for personalized notes from parents to their children, unintentionally excluded the 62,000 blind and low-vision children across the US. Kapable worked with the Kellogg team and the National Federation of the Blind to create customized Braille and audio 'love notes' as part of the campaign. The accessible "Love Notes" campaign included a sticker sheet of eight uplifting phrases in Braille to ensure that every child can receive a warm message from their parents at lunchtime.

"As the global demographic profile continues to rapidly shift, it is imperative that we leverage our Business/Employee Resource Groups (B/ERG's) to gain critical insight, drive results and positively impact business strategies," said Shaughn K., Sr. Manager D&I and B/ERG Coordinator. "At Kellogg, we enable our B/ERG's to thrive and achieve objectives that are an essential component to our organizations success."

Other B/ERGs were also involved in shaping Kellogg products and marketing this year. Kellogg African American Resource Group (KAARG), launched a series of training sessions that focused on creating culturally-sensitive marketing content. The training reached over 100 employees, and KAARG has since been involved in marketing reviews for cultural sensitivity.

Kellogg Multicultural Employee Resource Group (KMERG) facilitated a global trend flavors event with the Kellogg Culinary Exploration Team that aimed to fuel creative inspiration and drive innovation for future growth.

KPride & Allies (KPA) worked directly with senior executives to create a marketing plan around annual Pride Parade events that would engage LGBTQ consumers and allies. "I am a Kellogg employee, a Kellogg consumer and a member of the LGBTQ community," said one KPA member. "I have experienced prejudice at other jobs and it was truly amazing to receive acceptance at the senior level."

Members of HOLA have been working to provide insights on the Latino/Hispanic consumer, one of the fastest-growing groups in the US, to a variety of Kellogg divisions. HOLA developed a survey to provide feedback on products and marketing, and the group has helped provide insights that have influenced the pipeline of future Cheez-It products relevant to the Latino/Hispanic community.

As part of International Women's Day in March, our Woman of Kellogg (WOK) resource group organized a speaking event featuring Pam Cohen, an expert on gender diversity and its impact on a company's financial success. About 800 people attended the event in person and there were over 300 watch parties in seven countries.

KVets & Supporters, our veteran resource group partnered with other B/ERGs across the country to develop some innovative initiatives, including the launch of Kellogg's first Mental Health Awareness Month. The initiative was a joint effort between KVETS and Kapable, and highlighted PTSD and its effects on both soldiers and civilians.

Finally, the Young Professionals (YP) B/ERG staged several events centered around the theme of "Embracing Entrepreneurship". YP chapters around the country hosted start-up leaders to share lessons learned, and B/ERG members also worked with Kellogg's Innovation Marketing to provide feedback on products and ideas to drive the Snacks business into the future.





2018
FEATURES
DIVERSITY AND INCLUSION ANNUAL REPORT



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