Kellogg Company - Water Security 2022

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

For years, we have been working diligently toward our commitments to help feed people in need, responsibly source our ingredients and conserve natural resources. We believe in great tasting food you can feel good about, too. We must live our values and communicate with transparency to earn our seat at millions of tables every day.

That's why we are leading the charge through partnerships with World Business Council of Sustainable Development (WBCSD), part of the United Nations (UN) Global Compact and incorporating the UN Sustainable Development Goals in all that we do. Our aim is to produce our foods more efficiently, with less energy, fewer greenhouse gas (GHG) emissions, less water and less waste across our manufacturing and supply chain. Our existing Global Sustainability commitments sunset at the end of 2020 and we are already working towards our new, more ambitious targets we set for ourselves in our Kellogg's® Better Days commitments for 2030.

From a 2015 baseline, we have committed to:

• Reduce by 30% our absolute water use in our high water risk facilities by the end of 2030 (Our water risk assessment methodology is available at: https://crreport.kelloggcompany.com/download/2018+Water+Risk+Assessment+Methodology.pdf

• Continue watershed quality support

Our Impact and Reach:

• Since 2015, we've helped more than 440,000 farmers adopt sustainable agriculture practices that support biodiversity, address water quality and quantity, and improve climate resiliency

• Achieved a 23.6% absolute reduction in water use in our high-water risk facilities vs 2015 baseline

• As part of our Kellogg's Origins™ program in Michigan, farmers were trained in adopting regenerative soil health practices across 67,000 acres of land as of 2019, preventing 3,900 tons of soil runoff from entering the Saginaw Bay, Michigan's largest watershed. Continued work in this region with The Nature Conservancy in 2020 and 2021 resulted in over 750 additional tons of prevented erosion. Also, during the 2018-2019 crop year, our Mexican corn program with CIMMYT saw 50% less water use per ton of corn produced with conservation agriculture practices, compared to conventional practices. By the 2020/21 season, this program's participation increased to 386 farmers, who demonstrated a 9% water productivity increase on irrigated cropland.

W-FB0.1a

(W-FB0.1a) Which activities in the food, beverage, and tobacco sector does your organization engage in?

Processing/Manufacturing

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	January 1 2021	December 31 2021

W0.3

(W0.3) Select the countries/areas in which you operate.

Australia
Belgium
Brazil
Canada
Colombia
Ecuador
Egypt
India
Japan
Malaysia
Mexico
Poland
Republic of Korea
Russian Federation
South Africa
Turkey
United Kingdom of Great Britain and Northern Ireland
United States of America

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

USD

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

Yes

W0.6a

(W0.6a) Please report the exclusions.

Exclusion	Please explain
Non-production facilities, such as warehouses and offices	These facilities are very small water users (estimated to be less than 3% of the total water used) and therefore are not material to our overall water usage.

W0.7

(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization.	Provide your unique identifier
Yes, an ISIN code	ISIN: US4878361082
Yes, a CUSIP number	CUSIP: 487836108
Yes, a Ticker symbol	Ticker Symbol: K
Yes, a SEDOL code	SEDOL: BSJC864

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital	Vital	The primary use of fresh water is as an ingredient, for sanitation and non-contact cooling purposes (within our direct operations), and for irrigation (in our indirect operations). Water availability and quality is vital for the cultivation of our ingredients, packaging, and other inputs essential to our production; therefore, freshwater is vital for our direct operations and vital for our indirect operations. Water dependency is vital for both direct and indirect operations because they are both core to our business and products. As stated, water is core to our manufacturing and is core to how we can have reliable access to our ingredients. Water dependency on enough good quality water is not anticipated to change in the future, as our products and processes will likely remain consistent in the near future.
Sufficient amounts of recycled, brackish and/or produced water available for use	Important	Neutral	We have limited opportunities to use recycled, brackish or produced water in our direct operations; however recycled water use is a key component to our water reduction strategy. Virtually all of our manufacturing plants recycle water within their own operations. . We have limited opportunities to used recycled, brackish or produced water in our indirect operations; therefore recycled, brackish or produced water is of neutral importance for our indirect operations. We do not expect our dependency on recycled, brackish and/or produced water to change in the future, as our products and processes will likely remain consistent in the near future.

W-FB1.1a

(W-FB1.1a) Which water-intensive agricultural commodities that your organization produces and/or sources are the most significant to your business by revenue? Select up to five.

Agricultural commodities	% of revenue dependent on these agricultural commodities	Produced and/or sourced	Please explain
Maize	41-60	Sourced	Kellogg has committed to responsibly sourcing its priority ingredients and support agriculture, which is smart for our climate and smart for the growers. This commitment enables improved resilience to impacts from things such as weather events or market shocks, productivity, particularly for smallholder farmers, and reduction of greenhouse gas emissions We are committed to responsibly sourcing ingredients such as rice, wheat, corn, sugar and potatoes. These ingredients are most material to our business due to spend and prevalence in our portfolio. As a leading global plant-based food company, one of these ingredients are in almost every food we make.
Rice	41-60	Sourced	Kellogg has committed to responsibly sourcing its priority ingredients and support agriculture, which is smart for our climate and smart for the growers. This commitment will enable improved resilience to impacts from things such as weather events or market shocks, productivity, particularly for smallholder farmers, and reduction of greenhouse gas emissions We are committed to responsibly sourcing ingredients such as rice, wheat, corn, sugar and potatoes. These ingredients are most material to our business due to spend and prevalence in our portfolio. As a leading global plant-based food company, one of these ingredients are in almost every food we make.

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	100%	Water withdrawal volumes are measured and monitored monthly, by source, by 100% of our manufacturing facilities. Sites delineate their source as 'well' or 'municipal' within our web-based environmental management system, called INSIGHT. Additional details about the source are documented in the Kellogg Water Risk Assessment and at the individual plants. Water is monitored monthly at the site through tracking of bills and physical water meters.
Water withdrawals – volumes by source	100%	All manufacturing operations monitor monthly their water use and if it is derived from groundwater, municipal systems, trucked in, recycled, etc. Water is monitored monthly at the site through tracking of bills and physical water meters and are tracked at a corporate-level through INSIGHT monthly.
Entrained water associated with your metals & mining sector activities - total volumes [only metals and mining sector]	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>
Water withdrawals quality	100%	Water quality is monitored at all sites for water that is used as an ingredient. Water is monitored regularly (annually, quarterly, monthly or daily, depending on local regulations and specific site conditions) at the site through water samples and laboratory analysis.
Water discharges – total volumes	100%	Water discharge volumes are measured and monitored by 100% of our manufacturing facilities. Our facilities enter this data into our web-based environmental management system, called INSIGHT. Water discharges are monitored monthly at the site through tracking of bills and using physical water meters and are tracked at a corporate-level through INSIGHT monthly.
Water discharges – volumes by destination	100%	Water discharge volumes are measured and monitored, by destination, by 100% of our manufacturing facilities. Sites delineate their destination as 'effluent' or 'reuse' (which includes both onsite irrigation and reuse in other onsite processes) within our web-based environmental management system, called INSIGHT. Additional details about the destination are documented in the Kellogg Water Risk Assessment and at the individual plants in accordance with all regulatory requirements. Water is monitored monthly at the site through tracking of bills and using physical water meters and are tracked at a corporate-level through INSIGHT monthly.
Water discharges – volumes by treatment method	100%	Water discharge volumes are measured and monitored monthly by treatment method, by 100% of our manufacturing facilities. This data is measured and monitored at the site level using physical water meters and is not specifically tracked in INSIGHT.
Water discharge quality – by standard effluent parameters	100%	All our manufacturing sites monitor effluent parameters regularly (annually, quarterly, monthly or daily, depending on local regulations and specific site conditions) at the site through water samples and laboratory analysis.
Water discharge quality – temperature	Less than 1%	We do not track which sites monitor and report on water discharge quality by temperature.
Water consumption – total volume	100%	All manufacturing sites can track consumption by tracking withdrawal and discharge rates. Water is monitored monthly. Water is monitored monthly at the site through tracking of bills and using physical water meters and are tracked at a corporate-level through INSIGHT monthly.
Water recycled/reused	1-25	Linares, Mexicali, Queretaro, and Toluca utilize treated effluent for irrigation. This is reported as discharged to Groundwater. Taloja utilizes treated effluent for irrigation during the dry season (which is estimated at 70% of the total annual effluent volume and is tracked in through global systems as water reuse as of 2021). This is reported as discharged to groundwater. The remaining 30% of the total effluent is reported as discharged to Municipal Treatment Plant. Manchester reuses treated process water from an onsite reverse osmosis system; annual volumes are not tracked in global tracking systems but provided by the site upon request each year. Water recycled/reused at Linares, Mexicali, Queretaro, Toluca, and Taloja is monitored monthly at the site through tracking of bills and using physical water meters and are tracked at a corporate-level through INSIGHT monthly.
The provision of fully-functioning, safely managed WASH services to all workers	100%	As part of our environment, health and safety policies and procedures, all sites have fully-function, safely managed WASH services for workers. The availability and quality of WASH services is tracked on an ongoing basis by physical inspections and observations embedded in the maintenance and operations procedures of our sites.

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	10914.5	Higher	Site-specific water use targets have been established for all global manufacturing facilities and sites have worked hard to accomplish a reduction in water use. Total withdrawals increased by approximately 3% compared to 2020. We expect water use will decrease per metric tonne of food produced as we continue to make progress on our commitment to sustainability.
Total discharges	9065.4	Higher	Site-specific water use targets have been established for all global manufacturing facilities and sites have worked hard to accomplish a reduction in water use. Total discharges increased by approximately 9% compared to 2020. We expect discharges will decrease in the future as we implement additional efficiency improvements.
Total consumption	1849.1	Lower	Consumption is calculated by subtracting the global discharges from global withdrawals. Total consumption decreased by approximately 17% compared to 2020. We expect total consumption will remain relatively consistent per metric tonne of food produced as it is an ingredient in our products.

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Identification tool	Please explain
Row 1	Yes	51-75	Higher	Other, please specify (Kellogg Water Risk Assessment, WRI Aqueduct, and WBCSD Global Water)	In 2018, we updated our global water risk assessment, engaging internal and external experts to evaluate physical water stress, regulation, usage, and business risk. Our 2018 assessment evaluated sites from two perspectives: an internal rating based on data from each site, and an external rating of core indicators from the World Resources Institute Aqueduct water risk mapping tool. The WRI Aqueduct tool and the WBCSD Global Water tool inform the Kellogg Water Risk assessment and help define if the site is in a water stressed area. The assessment classified 20 of our facilities as “high risk.” In 2021, these facilities accounted for 56.9% of our total water use. This is compared to 54.8% in 2020. We are taking unique actions in these sites to reduce our use of water and address these risks.

W-FB1.2e

(W-FB1.2e) For each commodity reported in question W-FB1.1a, do you know the proportion that is produced/sourced from areas with water stress?

Agricultural commodities	The proportion of this commodity produced in areas with water stress is known	The proportion of this commodity sourced from areas with water stress is known	Please explain
Maize	Not applicable	Yes	We worked with the University of Minnesota to assess climate and water risk for our key ingredients, including maize and rice, using agronomic and weather data to model potential future impacts of climate events on long-term crop yields. Although most of the mills from which we source are not in high water stress regions directly, we continue to monitor our exposure. Through our responsible sourcing commitments, we partner with suppliers and farmers to measure water use and identify ways to reduce their usage and impact on water quality. On an ongoing basis, we also consult credible risk assessment tools (e.g. WRI Aqueduct, Sedex Radar) to assess water security and risks in Kellogg manufacturing and sourcing locations.
Rice	Not applicable	Yes	We worked with the University of Minnesota to assess climate and water risk for our key ingredients, including maize and rice, using agronomic and weather data to model potential future impacts of climate events on long-term crop yields. Although most of the mills from which we source are not in high water stress regions directly, we continue to monitor our exposure. Through our responsible sourcing commitments, we partner with suppliers and farmers to measure water use and identify ways to reduce their usage and impact on water quality. On an ongoing basis, we also consult credible risk assessment tools (e.g. WRI Aqueduct, Sedex Radar) to assess water security and risks in Kellogg manufacturing and sourcing locations.

W-FB1.2g

(W-FB1.2g) What proportion of the sourced agricultural commodities reported in W-FB1.1a originate from areas with water stress?

Agricultural commodities	% of total agricultural commodity sourced from areas with water stress	Please explain
Maize	11-25	More than half of Kellogg's corn usage is grown in the United States where water stress levels are considered lowest-low. Other sourcing areas, including Argentina and parts of Asia, have similar risk levels. Our highest risk levels come from our volumes in India, South Africa, and parts of Australia, which are considered at "serious" but not extreme risk. This is a relatively low percent of total volume. This figure hasn't changed from the previous financial year; however, we see risk that this percent may increase into the future due to climate change. We have updated our ingredient materiality assessment for our priority ingredients, confirming our current assessment of water risk exposure, and will return to this approach on an as-needed basis through 2030. We use this information to inform our responsible sourcing commitments, where we partner with suppliers and farmers to measure irrigation water use, where applicable, and identify ways to reduce usage or impact on water quality.
Rice	11-25	More than half of Kellogg's rice usage is grown in the United States where water stress levels are considered lowest-low. Other sourcing areas, including Thailand, have similar risk levels. Our highest risk levels come from our volumes in Spain, Italy and northern Egypt, which are considered at "serious" but not extreme risk. This is a relatively low percent of total volume. This figure hasn't changed from the previous financial year; however, we see risk that this percent may increase into the future due to climate change. We have updated our ingredient materiality assessment for our priority ingredients, confirming our current assessment of water risk exposure, and will return to this approach on an as-needed basis through 2030. We use this information to inform our responsible sourcing commitments, where we partner with suppliers and farmers to measure irrigation water use, where applicable, and identify ways to reduce usage or impact on water quality.

W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Not relevant	<Not Applicable>	<Not Applicable>	None of our facilities withdraw directly from this type of source.
Brackish surface water/Seawater	Not relevant	<Not Applicable>	<Not Applicable>	None of our facilities withdraw directly from this type of source.
Groundwater – renewable	Relevant	1820.7	Higher	Approximately 10 facilities worldwide utilize groundwater as a source, for both noncontact cooling and production activities. Withdrawals from groundwater increased by approximately 4% compared to the previous year. Withdrawals from this source increased mainly due to increased production in our production sites.
Groundwater – non-renewable	Not relevant	<Not Applicable>	<Not Applicable>	None of our facilities withdraw directly from this type of source.
Produced/Entrained water	Not relevant	<Not Applicable>	<Not Applicable>	None of our facilities withdraw directly from this type of source. Most of our facilities utilize recycled water, generated from onsite operations, for applications like irrigation and noncontact cooling water.
Third party sources	Relevant	9093.8	Higher	Many of our facilities worldwide utilize water sourced from municipal water systems as a source, for both noncontact cooling and production activities. Withdrawals from municipal sources increased by approximately 3% compared to the previous year. Withdrawals from this source increased mainly due to increased production in our production sites.

W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water	Relevant	1175.1	Higher	Cincinnati, Grand Rapids and Jackson discharge Non-contact Cooling Water (which is the only use for the onsite well (incoming groundwater)) directly to surface water. Enstek, Mechelen and Pikeville discharge treated effluent directly to surface water. Discharge increased by 7% compared to 2020. Discharges to this destination increased mainly due to increased production in our production sites.
Brackish surface water/seawater	Not relevant	<Not Applicable>	<Not Applicable>	Our facilities do not discharge to brackish surface water.
Groundwater	Relevant	281.7	Lower	Linares, Mexicali, Queretaro, and Toluca utilize treated effluent for irrigation; this is reported in KCAPP as water reuse. Sri City and Taloja utilize treated effluent for irrigation during the dry season (which is included in the INSIGHT effluent data). This volume is also entered in INSIGHT as water reuse. All irrigation volume is reported as discharged to groundwater. Groundwater discharge decreased by 2% compared to the previous year. Discharges to this destination decreased mainly due to reduced need for irrigation at Mexico facilities: Linares and Toluca. We expect this amount to decrease in the future.
Third-party destinations	Relevant	7608.6	Higher	Many of our sites discharge to municipal treatment plants. This amount increased by about 10% compared to the previous year. We expect this amount decrease into the future. Discharges to this destination increased mainly due to increased production in our production sites.

W1.2j

(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Relevant	655	About the same	1-10	Not Applicable
Secondary treatment	Relevant	694	About the same	1-10	Not Applicable
Primary treatment only	Relevant	6822	About the same	81-90	Not Applicable
Discharge to the natural environment without treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Not Applicable
Discharge to a third party without treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Not Applicable
Other	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Not Applicable

W1.3

(W1.3) Provide a figure for your organization's total water withdrawal efficiency.

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	14181000000	10914.5	1299280.773283325	From a 2015 baseline, we have committed to reduce by 30% our absolute water use in our high water risk facilities by the end of 2030. We anticipate that in the near-term, our water withdrawal efficiency will remain about the same. Our expectation is that our water efficiency will hopefully improve over time as we continue progressing towards our water goal.

W-FB1.3

(W-FB1.3) Do you collect/calculate water intensity for each commodity reported in question W-FB1.1a?

Agricultural commodities	Water intensity information for this produced commodity is collected/calculated	Water intensity information for this sourced commodity is collected/calculated	Please explain
Maize	Not applicable	Yes	Kellogg does not produce any agricultural commodity, but we source from multiple suppliers. Kellogg measures water intensity information for our key crops sourced from suppliers using the Water Footprint Network tool. The average water footprint for maize is 1222 litre/kg. We also directly capture data from farmers about their water use and conservation practices using our Kellogg Grower Survey and other third-party tools (e.g. CIMMYT's e-Agrology platform the Fieldprint Platform). Across the multiple crops we survey, including maize, we have quantitative water use data for up to 2,000 farmers annually across multiple crops.
Rice	Not applicable	Yes	Kellogg does not produce any agricultural commodity, but we source from multiple suppliers. Kellogg measures water intensity information for our key crops sourced from suppliers using the Water Footprint Network tool. The average water footprint for rice is 2497 litre/kg. We also directly capture data from farmers about their water use and conservation practices using our Kellogg Grower Survey and other third party tools (e.g. the Fieldprint Platform). Across the multiple crops we survey, including rice, we have quantitative water use data for up to 2,000 farmers annually across multiple crops.

W-FB1.3b

(W-FB1.3b) Provide water intensity information for each of the agricultural commodities identified in W-FB1.3 that you source.

Agricultural commodities
Maize

Water intensity value (m3)
1222

Numerator: Water aspect
Total water consumption

Denominator
Kilograms

Comparison with previous reporting year
About the same

Please explain
We measure water intensity for key crops using the Water Footprint Network tool. The water footprint for maize is 1222 litre/kg, same as last year. We capture water use and conservation practices data from farmers using our Kellogg Grower Survey and other industry-standard tools. Across the crops we survey, we have water use data for 1,500 to 2,000 farmers annually. We anticipate trends may change due to climate-related shifts in productivity and water resource availability. We use data to identify supply chain risks and where to build programs with farmers and suppliers to reduce water use. Example: since 2016, we have partnered with the International Center for the Improvement of Maize and Wheat (CIMMYT) to locally, responsibly source corn in Mexico for our Latin America sites and train 370 corn producers in sustainable agriculture. Farmers trained in the 2018-2020 crop seasons reported a 50% reduction in irrigation water use, compared to conventional farming practices.

Agricultural commodities
Rice

Water intensity value (m3)
2497

Numerator: Water aspect
Total water consumption

Denominator
Kilograms

Comparison with previous reporting year
About the same

Please explain
We measure water intensity for our key crops using the Water Footprint Network tool. The water footprint for rice is 2497 litre/kg, same as last year. We capture water use and conservation practices data from farmers using our Kellogg Grower Survey and other industry-standard tools. Across the crops we survey, we have water use data for 1,500 to 2,000 farmers annually. We anticipate trends may change due to climate-related shifts in productivity and water resource availability. We use data to identify supply chain risks and where to build programs with farmers and suppliers to reduce water use. Example: in the US, we partnered with The Nature Conservancy from 2019 through 2021 to provide Arkansas farmers with programmable shut-off valves, free of charge, to help manage their rice irrigation with groundwater efficiently and reduce consumption. At time of writing, Kellogg sources a portion of its rice ingredients for its North America business from Arkansas. Groundwater conservation in the Arkansas's Alluvial Aquifer is critical to meet the region's drinking water needs. As of the end of 2021, more than 8 billion gallons of water were saved through the installation of 180 timers on Arkansas farms.

W1.4

(W1.4) Do you engage with your value chain on water-related issues?

Yes, our suppliers
Yes, our customers or other value chain partners

W1.4a

(W1.4a) What proportion of suppliers do you request to report on their water use, risks and/or management information and what proportion of your procurement spend does this represent?

Row 1

% of suppliers by number
1-25

% of total procurement spend
76-100

Rationale for this coverage
We work, through our suppliers, with farmers to build relationships, learn current practices and drive sustainability improvements. We select suppliers (and their supply chain, by extension) to engage on water conservation, risk and management to ensure coverage of 80-100% of our annual volumes for our priority ingredients. We require suppliers to optimize water use as stated in our Kellogg Global Supplier Code of Conduct. We assess water and other risks to find priority areas in our supply chain by asking key commodity suppliers to measure improvement, including water use, through the Kellogg Grower Survey and other industry-standard tools (e.g. Fieldprint Platform). Suppliers report farmers' water use at farm level if they supply one of our priority ingredients (including maize, wheat, rice, potatoes, sugar beets, raisins/sultanas, strawberries). Suppliers of other priority ingredients (sugar cane, palm oil, cocoa, etc.) are engaged with investment/certifications to address water risks (i.e. lower deforestation risk can reduce risk of impact to water resources). Incentives to suppliers include annual award of business and supplier recognition biannually.

Impact of the engagement and measures of success
We partner with suppliers covering 80-100% of our global ingredient volumes, for our priority maize, wheat, rice, sugar beet, potato, raisins/sultanas, and strawberry ingredients to track on-farm water use. We use the Kellogg Grower Survey and other industry-standard tools. Success is measured in terms of whether crops are irrigated or rainfed, optimized or reduced irrigation water use, how irrigation water is measured on-farm, and adoption of conservation agriculture practices. We use this data to identify supply chain risks and where we can build programs in partnership with farmers and suppliers to optimize water use and protect watersheds. Suppliers enrolled in continuous improvement programs like the Kellogg Grower Survey program are provided with anonymized farmer responses, benchmarked against best management practices for their crops and regions, to help identify opportunities for continuous improvement. Finally, Ceres and WWF's 2020 AgWater Challenge Progress Report ranks Kellogg sustainable agriculture programs among industry leaders for our delivery of measurable water management improvements and link sustainable sourcing expectations to supplier qualifications, performance and procurement employee performance. https://www.ceres.org/sites/default/files/AWC_2020Progress%20Report.pdf

Comment
While these suppliers may only represent 2% of our suppliers by number, they also represent approximately 80% of Kellogg's global spend. 80-100% of our annual global volumes for priority ingredients.

W1.4b

(W1.4b) Provide details of any other water-related supplier engagement activity.

Type of engagement
Innovation & collaboration

Details of engagement
Provide training and support on sustainable agriculture practices to improve water stewardship

% of suppliers by number
1-25

% of total procurement spend
1-25

Rationale for the coverage of your engagement
We assess water & environmental risks to determine supply chain priority areas. This informed priority ingredients which we commit to responsibly source. We ask suppliers of these ingredients to report water use and risk in their supply chain through our Kellogg Grower Survey (KGS) and other industry tools (e.g. the Fieldprint Platform). This data helps identify supply chain risks, supplier water efficiency opportunities, and supports grower projects in our Kellogg's OriginsTM sustainable agriculture program. Grower programs are partnerships with suppliers, farmers, NGOs and communities to track/support water use optimization and best practices for water quality in areas where we source ingredients. Suppliers may be selected for these programs based on their products' relevance to Kellogg's ingredient purchase volumes, material water security and stewardship risks in their ingredient sourcing regions, and the suppliers' demonstration of water use optimization and stewardship with farmers. Strategic suppliers are scored and incentivized on performance, including participation in the KGS. Incentives include annual award of business and supplier recognition biannually. Sustainability indicators are included in sourcing events and impact the award of business.

Impact of the engagement and measures of success
We track water use through the Kellogg Grower Survey, and we measure success through farmers, farmland and suppliers engaged on these issues through our grower programs. In 2019, our Origins programs showed positive on water resources, with success measured in terms of farmers' improved adoption of water-smart agriculture practices and quantitative outcome metrics tailored to local, material water risks. In Mexico, our partnership with the CIMMYT to source yellow corn in Mexico trained 370 producers in sustainable agriculture, those trained in the 2018-19 season reported a 50% reduction in their irrigation water use. By the 2020/21 season, program participation increased to 386 farmers, who demonstrated a 9% water productivity increase on irrigated cropland. In the United States, ur multi-year Supporting US Farmers collaboration with TNC has provided farmers in Kellogg ingredient sourcing regions with training, technical assistance, and funds support to adopt practices that either reduce irrigation water use or reduce contributors to local water quality impairment. The program provided rice farmers in Arkansas with programmable shut-off valves to manage irrigation, reducing irrigation water use by an estimated 8 billion gallons as of EOY 2021 in a region where groundwater use is a critical conservation issue. Wheat farmers in Michigan have used technical assistance and "pay for performance" incentive payments to adopt conservation agriculture practices, preventing more than 7,822 pounds of nitrogen load and more than 629 tons of sediment load into the local Saginaw Bay, a region with documented water quality challenges. Finally, Illinois and Indiana corn producers, through the Saving Tomorrow's Agriculture Resources program, have assessed how their soil health and fertilizer practices can reduce excess nitrogen and phosphorous from farms into waterways.

Comment

W1.4c

(W1.4c) What is your organization's rationale and strategy for prioritizing engagements with customers or other partners in its value chain?

Kellogg is actively involved in several industry and multi-lateral organizations that are focused on addressing global challenges like water. Kellogg prioritizes engagements beyond our direct footprint because we know these issues can only be tackled through partnership and learning from the expertise of others. Our highest area of risk for water is in our supply chain, so Kellogg participates in several groups and programs focused on sustainable agriculture which include addressing water use and water quality impacts. For example, Kellogg is a member of the World Business Council on Sustainable Development (WBCSD) and are co-chairs for the Climate Smart Agriculture working group and for FReSH, a collaboration between WBCSD and EAT Foundation, focused on healthy and sustainable food systems. We also participate in several other sustainable agriculture initiatives, including Field to Market, Cool Farm Alliance, and SAI Platform. Success is measured through:

• Reduced water usage or reduced water risks in areas where partnerships are present, for example in sourcing locations where we are partnering with customers and suppliers to support farmers impact projects and supply chain survey programs;

• Farmers' adoption of water-smart practices and/or quantitative measures of quantitative outcome metrics tailored to local, material water risks (water availability, water quality, etc.);

• Metrics in supply chain continuous improvement programs like the Kellogg Grower Survey; and

• Kellogg's ability to partner with customers to address water security challenges through their value chains.

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

Yes

W2.1a

(W2.1a) Describe the water-related detrimental impacts experienced by your organization, your response, and the total financial impact.

Country/Area & River basin

United States of America	Other, please specify (Multiple River Basins)

Type of impact driver & Primary impact driver

Acute physical	Heavy precipitation (rain, hail, snow/ice)

Primary impact

Supply chain disruption

Description of impact

In 2019 and 2020, unusually heavy rainfall, snow and unseasonably cold weather in the United States and Europe negatively affected crop productivity. This resulted in reduced delivery of contracted ingredient volumes in 2020.

Primary response

Engage with suppliers

Total financial impact

3000000

Description of response

This example was flagged by Procurement and shared with the Global Sustainability team. In the short term, Kellogg partnered with suppliers to address gaps in volume deliveries. In addition, by working with suppliers and farmers to measure continuous improvement via the Kellogg Grower Survey and secure future supply, we can mitigate the operational risk and find opportunities to support best management practices on the field. Geographic climate risk, agribusiness and sustainable agriculture practices are assessed as part of ingredient category strategies that inform long-term sourcing strategy for key ingredients. Costs were estimated based on historic pricing and volumes. Kellogg is pursuing low- and zero-cost opportunities to ensure continuity of supply with our suppliers and find viable logistics opportunities as part of ongoing supplier partnerships. Our sustainable agriculture program, Kellogg's Origins™, puts an emphasis on connecting growers with other agricultural experts to help improve soil health and nutrient efficiency and promote practices that improve farmers' resilience to extreme weather events linked to climate change.

Country/Area & River basin

Mexico	Other, please specify (Multiple River Basins)

Type of impact driver & Primary impact driver

Acute physical	Drought

Primary impact

Supply chain disruption

Description of impact
Drought during the 2020 crop season in North and Central America impacted crop quality. This resulted in the necessity to explore alternate supply.

Primary response
Engage with suppliers

Total financial impact
0

Description of response
This example was flagged by Procurement and shared with the Global Sustainability team. In the short term, Kellogg partnered with suppliers to address volume requirements despite drought impacts. In addition, by working with suppliers and farmers to measure continuous improvement via the Kellogg Grower Survey and secure future supply, we can mitigate the operational risk and find opportunities to support best management practices on the field. Geographic climate risk, agribusiness and sustainable agriculture practices are assessed as part of ingredient category strategies, that inform long-term sourcing strategy for key ingredients. Costs were estimated based on historic pricing and volumes. Kellogg is pursuing low- and zero-cost opportunities to ensure continuity of supply with our suppliers and find viable logistics opportunities as part of ongoing supplier partnerships. Our sustainable agriculture program, Kellogg's Origins™, puts an emphasis on connecting growers with other agricultural experts to help improve soil health and nutrient efficiency and promote practices that improve farmers' resilience to extreme weather events linked to climate change.

Country/Area & River basin

United Kingdom of Great Britain and Northern Ireland	Other, please specify (Multiple River Basins)

Type of impact driver & Primary impact driver

Acute physical	Heavy precipitation (rain, hail, snow/ice)

Primary impact
Supply chain disruption

Description of impact
In 2019 and 2020, unusually heavy rainfall, snow and unseasonably cold weather in the United States and Europe negatively affected crop productivity. This resulted in reduced delivery of contracted ingredient volumes in 2020.

Primary response
Engage with suppliers

Total financial impact
3000000

Description of response
This example was flagged by Procurement and shared with the Global Sustainability team. In the short term, Kellogg partnered with suppliers to address gaps in volume deliveries. In addition, by working with suppliers and farmers to measure continuous improvement via the Kellogg Grower Survey and secure future supply, we can mitigate the operational risk and find opportunities to support best management practices on the field. Geographic climate risk, agribusiness and sustainable agriculture practices are assessed as part of ingredient category strategies, that inform long-term sourcing strategy for key ingredients. Costs were estimated based on historic pricing and volumes. Kellogg is pursuing low- and zero-cost opportunities to ensure continuity of supply with our suppliers and find viable logistics opportunities as part of ongoing supplier partnerships. Our sustainable agriculture program, Kellogg's Origins™, puts an emphasis on connecting growers with other agricultural experts to help improve soil health and nutrient efficiency and promote practices that improve farmers' resilience to extreme weather events linked to climate change.

Country/Area & River basin

Spain	Other, please specify (Multiple River Basins)

Type of impact driver & Primary impact driver

Acute physical	Heavy precipitation (rain, hail, snow/ice)

Primary impact
Supply chain disruption

Description of impact
In 2019 and 2020, unusually heavy rainfall, snow and unseasonably cold weather in the United States and Europe negatively affected crop productivity. This resulted in reduced delivery of contracted ingredient volumes in 2020.

Primary response
Engage with suppliers

Total financial impact
3000000

Description of response
This example was flagged by Procurement and shared with the Global Sustainability team. In the short term, Kellogg partnered with suppliers to address gaps in volume deliveries. In addition, by working with suppliers and farmers to measure continuous improvement via the Kellogg Grower Survey and secure future supply, we can mitigate the operational risk and find opportunities to support best management practices on the field. Geographic climate risk, agribusiness and sustainable agriculture practices are assessed as part of ingredient category strategies, that inform long-term sourcing strategy for key ingredients. Costs were estimated based on historic pricing and volumes. Kellogg is pursuing low- and zero-cost opportunities to ensure continuity of supply with our suppliers and find viable logistics opportunities as part of ongoing supplier partnerships. Our sustainable agriculture program, Kellogg's Origins™, puts an emphasis on connecting growers with other agricultural experts to help improve soil health and nutrient efficiency and promote practices that improve farmers' resilience to extreme weather events linked to climate change.

Country/Area & River basin

Canada	Other, please specify (Drought)

Type of impact driver & Primary impact driver

Acute physical	Drought

Primary impact
Supply chain disruption

Description of impact
In 2021, unusual drought in some grain growing regions in Canada negatively impacted the crop productivity and quality. This resulted in supply challenges and price increases.

Primary response
Engage with suppliers

Total financial impact
7000000

Description of response
This example was flagged by Procurement and shared with the Global Sustainability team. In the short term, Kellogg partnered with suppliers to address volume requirements despite drought impacts. In addition, by working with suppliers and farmers to measure continuous improvement via the Kellogg Grower Survey and secure future supply, we can mitigate the operational risk and find opportunities to support best management practices on the field. Geographic climate risk, agribusiness and sustainable agriculture practices are assessed as part of ingredient category strategies, that inform long-term sourcing strategy for key ingredients. Costs were estimated based on historic pricing and volumes. Kellogg is pursuing low- and zero-cost opportunities to ensure continuity of supply with our suppliers and find viable logistics opportunities as part of ongoing supplier partnerships. Our sustainable agriculture program, Kellogg's Origins™, puts an emphasis on connecting growers with other agricultural experts to help improve soil health and nutrient efficiency and promote practices that improve farmers' resilience to extreme weather events linked to climate change.

Country/Area & River basin

Italy	Other, please specify (Multiple River Basins)

Type of impact driver & Primary impact driver

Acute physical	Heavy precipitation (rain, hail, snow/ice)

Primary impact
Supply chain disruption

Description of impact
In 2019 and 2020, unusually heavy rainfall, snow and unseasonably cold weather in the United States and Europe negatively affected crop productivity. This resulted in reduced delivery of contracted ingredient volumes in 2020.

Primary response
Engage with suppliers

Total financial impact
3000000

Description of response
This example was flagged by Procurement and shared with the Global Sustainability team. In the short term, Kellogg partnered with suppliers to address gaps in volume deliveries. In addition, by working with suppliers and farmers to measure continuous improvement via the Kellogg Grower Survey and secure future supply, we can mitigate the operational risk and find opportunities to support best management practices on the field. Geographic climate risk, agribusiness and sustainable agriculture practices are assessed as part of ingredient category strategies, that inform long-term sourcing strategy for key ingredients. Costs were estimated based on historic pricing and volumes. Kellogg is pursuing low- and zero-cost opportunities to ensure continuity of supply with our suppliers and find viable logistics opportunities as part of ongoing supplier partnerships. Our sustainable agriculture program, Kellogg's Origins™, puts an emphasis on connecting growers with other agricultural experts to help improve soil health and nutrient efficiency and promote practices that improve farmers' resilience to extreme weather events linked to climate change.

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?
Yes, fines, enforcement orders or other penalties but none that are considered as significant

W2.2a

(W2.2a) Provide the total number and financial value of all water-related fines.

Row 1

Total number of fines
5

Total value of fines
200

% of total facilities/operations associated
6

Number of fines compared to previous reporting year
Lower

Comment
Kellogg had 5 environmental regulatory violations in 2021. The majority of these were in the United States and were focused on self-reported wastewater exceedances. As with prior years, proactive audit management is resulting in no significant violations or fines.

W3. Procedures

W-FB3.1

(W-FB3.1) How does your organization identify and classify potential water pollutants associated with its food, beverage, and tobacco sector activities that could have a detrimental impact on water ecosystems or human health?

Potential water pollutants are present in Kellogg's production operations and supply chain. Within our operations we have an environmental management system, aligned with ISO 14001 that includes processes and procedures for water management. For all water streams generated in company owned or operated facilities we follow better practices and compliance with all legal requirements relating to water sources, use and discharge.

Our sites document and maintain programs to manage water discharges, including process wastewater, sanitary wastewater, storm-water, non-contact cooling water, construction site de-watering, and water associated with ground water remediation. Our water pollution management actions include:

• Properly treating, as necessary, and discharging all wastewater streams (process wastewater, sanitary wastewater and storm water) in compliance with legal requirements or, in the absence of such requirements, in a manner that meets or exceeds Kellogg company requirements

• Maintain wastewater treatment and discharge monitoring equipment in proper working order and provide training to employees responsible for operating such equipment.;

• Assess facility operations for potential uncontrolled discharges of water, including wastewater, and implement appropriate control

• Assess storm water management risks, with consideration of applicable legal requirements, and implement appropriate control measures

• Prevent contaminants, including accidental discharges of chemical or other substances, from entering sanitary sewer systems or other wastewater systems

Risk management programs and associated procedures are evaluated through audits, self-assessments, formal and informal inspections. Corrective and preventative actions are implemented in a timely manner, in compliance with applicable legal requirements, and in conformance with company policies and standards.

Kellogg uses materiality- and risk-based approach to identifying and classifying potential water pollutants across our value chain. Through this assessment, several potential water pollutants were considered including like fertilizer and other agricultural inputs. Others, like heavy metals, were considered but are not significantly present in Kellogg's supply chain. From the most recent company-wide materiality assessment (2018) and ingredient materiality assessment (2020), priority ingredients for our global responsible sourcing commitments (housed under the Kellogg's Better DaysTM global purpose platform) were identified based on their business, social and environmental risks, including risks to water quality. In our ingredient supply chains, we support continuous improvement by implementing the Kellogg Grower Survey, a globally-scoped survey tool covering environmental, social, and economic indicators for farm management, and other industry standard tools including but not limited to the SAI Farm Sustainability Assessment. The Kellogg Grower Survey (KGS) measures irrigation water use and volume, fertilizer use and volume, and other key quantitative and qualitative indicators whose management can contribute to improved water quality due to reduced nutrient loss through erosion and leaching. KGS also measures adoption of best management practices, like conservation tillage, integrated pest management principles, or cover crops, to reduce impacts to water resources through erosion, leaching, and impacts to non-target species.

W-FB3.1a

(W-FB3.1a) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your food, beverage, and tobacco sector activities.

Potential water pollutant
Fertilizers

Activity/value chain stage
Agriculture – supply chain

Description of water pollutant and potential impacts
Farmers who grow the crops we rely on for ingredients in Kellogg products seek to improve yield and income by optimizing their on-farm inputs such as fertilizers. When not carefully applied, these inputs can end up in rivers and streams as pollutants for natural waterways, impairing drinking water for human communities and deteriorating habitat for local wildlife species. Though this may not cause acute impacts, the accumulation of these types of pollutants can have a large scale and impact.

Management procedures
Soil conservation practices
Crop management practices
Sustainable irrigation and drainage management
Fertilizer management
Calculation of fertilizer intensity data
Follow regulation standards

Please explain
Kellogg's Origins program ensures farmers adopt practices that reduce nutrient runoff or leaching into local waterways and provide important ecosystems services that protect water quality (e.g. water filtration), all while measuring and optimizing their inputs and maintaining or increasing yields. We support farmers through programs, technical assistance, education and outreach to adopt best practices like 4R Nutrient Stewardship, cover crops, and crop rotation. Success is measured by improved nutrient application across the farmers reached by our programs. Examples:

- 570,500 hectares of cropland surveyed in 2020 with the Kellogg Grower Survey, with additional cropland assessed with industry-standard tools such as SAI FSA and its equivalents. KGS indicators included fertilizer volumeand timing, as well as adoption of nutrient management strategies.

- Partnership with CIMMYT to responsibly source corn in Mexico and train 386 producers in sustainable agriculture since 2017. Farmers trained by this partnership in the 2018-19 season reported doubling their nitrogen fertilizer application efficiency.

- Partnership with TNC since 2015 to help farmers implement conservation agriculture practices on more than 67,000 acres of Michigan farmland in the Saginaw Bay Watershed. This partnership has prevented 3,900 tons of soil erosion into local waterways, helping to reduce nutrient runoff. This work concluded in 2021.

- Since 2013, we have partnered with rice suppliers, the Institute of Agri-food Research and Technology, and farmers in Spain's Delta del Ebro region. This program offers training and demonstration plots to trial practices that improve soil fertility, biodiversity, and water management. In 2019, tests at the Ebre Experimental Station showed positive results from remote sensing technology for optimizing nitrogen fertilizer use, with no significant difference in weeds, pests, or diseases. If adapted for farmers, this technology could reduce cost and risks associated with nitrogen fertilizer application. This program remains active though 2022.

Potential water pollutant
Pesticides and other agrochemical products

Activity/value chain stage
Agriculture – supply chain

Description of water pollutant and potential impacts
Farmers who grow ingredients used in Kellogg products seek to increase yield and income by optimizing their on-farm inputs such as or pesticides. When not carefully applied, these inputs can end up in rivers and streams as pollutants for natural waterways. Although this generally does not cause acute impacts, the accumulation of these types of pollutants can have a large scale and impact. Kellogg is working with farmers across the globe as part of our responsible sourcing commitments to ensure farmers are measuring and optimizing their inputs to decrease impacts on water ecosystems and reduce their GHG emissions, while maintain or increasing yields. We support farmers through programs, technical assistance, education and outreach to adopt best management practices like Integrated Pest Management (IPM), cover crops, and crop rotation.

Management procedures
Soil conservation practices
Crop management practices
Sustainable irrigation and drainage management
Pesticide management

Please explain
Kellogg is working with farmers across the globe as part of our responsible sourcing commitments to ensure farmers are measuring and optimizing their inputs to decrease impacts on water ecosystems and reduce their GHG emissions, while maintaining or increasing yields. We support farmers through programs, technical assistance, education and outreach to adopt best management practices like 4R, cover crops, and crop rotation. Success is measured by improved fertilizer and chemical application across the farmers surveyed or reached with Origins programs. Examples from programs active in 2021 include the following:

- We partnered with the American Society of Agronomy to deliver a five-part Integrated Pest Management training series for North American agronomy professionals, to promote responsible pest management consulting services for farmers in our sourcing regions and across the industry. 2,470 Certified Crop Advisers (CCAs) and other certified agronomy professionals registered for any part of the five-webinar series, earning continuing education units required to keep their certification valid and continue to support farmers' decision making.

- Over 570,500 hectares of cropland were surveyed in 2021 with the Kellogg Grower Survey. Indicators include IPM strategies, types of pest pressure, and questions regarding glyphosate use specific to our priority wheat and oat ingredients.

- Six Origins programs provided farmers in UK, Spain, Mexico, Ecuador, Argentina & Madagascar with training in Integrated Pest Management (IPM),alternatives to synthetic pesticides, and/or the use of native hedgerows, field margins, and cover crops that promote beneficial insects that predate upon insect pests while also improving soil health.

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?
Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Value chain stage
Direct operations

Coverage
Full

Risk assessment procedure
Water risks are assessed as part of an established enterprise risk management framework

Frequency of assessment
More than once a year

How far into the future are risks considered?
More than 6 years

Type of tools and methods used
Tools on the market
Enterprise risk management

Tools and methods used
Water Footprint Network Assessment tool
WRI Aqueduct
Other, please specify (WBCSD Global Water Tool)

Contextual issues considered
Water availability at a basin/catchment level
Water quality at a basin/catchment level
Stakeholder conflicts concerning water resources at a basin/catchment level
Implications of water on your key commodities/raw materials
Water regulatory frameworks
Status of ecosystems and habitats
Access to fully-functioning, safely managed WASH services for all employees

Stakeholders considered
Employees
Investors
Local communities
NGOs
Regulators
Suppliers
Water utilities at a local level
Other water users at the basin/catchment level

Comment
Kellogg uses a combination of internal and external sources to determine an overall water risk score for all global manufacturing locations (direct operations). This feeds Kellogg's comprehensive Enterprise Risk Management (ERM) process for day-to-day risk management, including assessing regulatory and physical risks. The risk assessment process is global; developed to identify and assess Kellogg's current and emerging risks, including the nature of the risk and to manage the risk if possible.

Value chain stage
Supply chain

Coverage
Full

Risk assessment procedure
Water risks are assessed as part of an established enterprise risk management framework

Frequency of assessment
Annually

How far into the future are risks considered?
More than 6 years

Type of tools and methods used
Tools on the market
Enterprise risk management

Tools and methods used
Water Footprint Network Assessment tool
Other, please specify (WBCSD Global Water Tool and Research from University of Minnesota)

Contextual issues considered
Water availability at a basin/catchment level
Water quality at a basin/catchment level
Stakeholder conflicts concerning water resources at a basin/catchment level
Implications of water on your key commodities/raw materials
Water regulatory frameworks

Status of ecosystems and habitats
Access to fully-functioning, safely managed WASH services for all employees

Stakeholders considered

Customers
Employees
Investors
Local communities
NGOs
Regulators
Suppliers
Water utilities at a local level
Other water users at the basin/catchment level

Comment

We have also evaluated overall supply chain water risks when determining our Responsible Sourcing goals based on water risk tools for our major sourcing locations. This feeds Kellogg's comprehensive Enterprise Risk Management (ERM) process for day-to-day risk management, including assessing regulatory and physical risks. The risk assessment process is global; developed to identify and assess Kellogg's current and emerging risks, including the nature of the risk and to manage the risk if possible.

W3.3b

(W3.3b) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

Kellogg has chosen to identify, assess and respond to water-related risks across our owned operations and agricultural supply chain. We look at risk in the short (<1 year), medium (1-3 years), and long term (>3 years). In our manufacturing we assess water availability using the WRI Aqueduct, and site-specific details of water flow, regulatory pressures, cost, and programs collected on a site-specific survey (internal knowledge) and reviewed for all facilities with direct operational control as part of the Kellogg Water Risk Assessment, the latest assessment was completed in 2018. For our agricultural supply chains, we use the Global Water Footprint Network tools to assess risk, as well as research through the University of Minnesota, and the results of our Kellogg Grower Survey and industry-standard measurement tools we apply to our agricultural ingredient sourcing. All these tools are used in short and long term to identify relevant risks in our ingredient sourcing regions, guide communications with suppliers and farmers, and inform the development of Kellogg's Origins programs that provide farmers with training, technical assistance, or funds to adopt practices that can mitigate these risks. Kellogg uses a comprehensive Enterprise Risk Management (ERM) process for day-to-day risk management, including assessing water-related risks. The ERM process compares severity, likelihood, and impact to determine significance. The risk process is global; developed to identify and assess Kellogg's current and emerging risks, including the nature of the risk and to identify steps to mitigate the controllable aspects of risk. The ERM process also may identify water-related risks at an asset level. These risks can also be identified through our internal audit protocol where all sites – at a minimum – are planned to be audited every three years. Water-related risks are also identified during asset mergers, acquisition, and new development. Assessing the size and scope of the identified risks is built into our due diligence process. This includes both owned operations and that of the supply chain. For example, when acquiring a new business in Nigeria, Kellogg considered physical risks due to flooding in our facilities, as well as security of supply for the key ingredients that are used to make the products.

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes, both in direct operations and the rest of our value chain

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

Kellogg defines substantive change as having a financial impact of at least $1,000,000 annual cost or strategic impact to P&L planning going forward at a product, brand or market-level. This can as including include, but is not limited to, plant relocation, curtailment of operations, product relocation, interruptions in availability, increased cost for municipal water, increased cost for raw materials, lack of security of supply of raw materials, and significant investment in water reduction/recycling that are likely to happen. The metrics for this would include increased costs, lack of availability causing shutdowns, and increased water treatment. The threshold for these indicators would vary from facility to facility but would be assessed against profit and loss and operational budgets. This covers both operations and supply chain.

W4.1b

(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	20	26-50	In 2018, we updated our global water risk assessment (http://crreport.kelloggcompany.com/download/2018+Water+Risk+Assessment+Methodology.pdf), engaging internal and external experts to evaluate physical water stress, regulation, usage, and business risk. Our 2018 assessment evaluated sites from two perspectives: an internal rating based on data from each site, and an external rating of core indicators from the World Resources Institute Aqueduct water risk mapping tool.

W4.1c

(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?

Country/Area & River basin

Mexico	Colorado River (Pacific Ocean)

Number of facilities exposed to water risk
1

% company-wide facilities this represents
1-25

Production value for the metals & mining activities associated with these facilities
<Not Applicable>

% company's annual electricity generation that could be affected by these facilities
<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities
<Not Applicable>

% company's total global revenue that could be affected
1-10

Comment

Country/Area & River basin

Republic of Korea	Han-Gang (Han River)

Number of facilities exposed to water risk
1

% company-wide facilities this represents
1-25

Production value for the metals & mining activities associated with these facilities
<Not Applicable>

% company's annual electricity generation that could be affected by these facilities
<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities
<Not Applicable>

% company's total global revenue that could be affected
1-10

Comment

Country/Area & River basin

Egypt	Nile

Number of facilities exposed to water risk
2

% company-wide facilities this represents
1-25

Production value for the metals & mining activities associated with these facilities
<Not Applicable>

% company's annual electricity generation that could be affected by these facilities
<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities
<Not Applicable>

% company's total global revenue that could be affected
Less than 1%

Comment

Country/Area & River basin

United States of America	Mississippi River

Number of facilities exposed to water risk
3

% company-wide facilities this represents
1-25

Production value for the metals & mining activities associated with these facilities
<Not Applicable>

% company's annual electricity generation that could be affected by these facilities
<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities
<Not Applicable>

% company's total global revenue that could be affected
1-10

Comment

Country/Area & River basin

Belgium	Other, please specify (Escaut (Schelde))

Number of facilities exposed to water risk
1

% company-wide facilities this represents
1-25

Production value for the metals & mining activities associated with these facilities
<Not Applicable>

% company's annual electricity generation that could be affected by these facilities
<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities
<Not Applicable>

% company's total global revenue that could be affected
1-10

Comment

Country/Area & River basin

Malaysia	Other, please specify (Langat)

Number of facilities exposed to water risk
1

% company-wide facilities this represents
1-25

Production value for the metals & mining activities associated with these facilities
<Not Applicable>

% company's annual electricity generation that could be affected by these facilities
<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities
<Not Applicable>

% company's total global revenue that could be affected
1-10

Comment

Country/Area & River basin

Mexico	Santiago

Number of facilities exposed to water risk
2

% company-wide facilities this represents
1-25

Production value for the metals & mining activities associated with these facilities
<Not Applicable>

% company's annual electricity generation that could be affected by these facilities
<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company's total global revenue that could be affected
1-10

Comment

Country/Area & River basin

United States of America	Sacramento River - San Joaquin River

Number of facilities exposed to water risk
1

% company-wide facilities this represents
1-25

Production value for the metals & mining activities associated with these facilities
<Not Applicable>

% company's annual electricity generation that could be affected by these facilities
<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities
<Not Applicable>

% company's total global revenue that could be affected
1-10

Comment

Country/Area & River basin

India	Other, please specify (Pulicat Lake)

Number of facilities exposed to water risk
1

% company-wide facilities this represents
1-25

Production value for the metals & mining activities associated with these facilities
<Not Applicable>

% company's annual electricity generation that could be affected by these facilities
<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities
<Not Applicable>

% company's total global revenue that could be affected
1-10

Comment

Country/Area & River basin

Australia	Murray - Darling

Number of facilities exposed to water risk
1

% company-wide facilities this represents
1-25

Production value for the metals & mining activities associated with these facilities
<Not Applicable>

% company's annual electricity generation that could be affected by these facilities
<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities
<Not Applicable>

% company's total global revenue that could be affected
1-10

Comment

Country/Area & River basin

United States of America	St. Lawrence

Number of facilities exposed to water risk
3

% company-wide facilities this represents
1-25

Production value for the metals & mining activities associated with these facilities
<Not Applicable>

% company's annual electricity generation that could be affected by these facilities
<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities
<Not Applicable>

% company's total global revenue that could be affected
1-10

Comment

Country/Area & River basin

United States of America	Delaware River

Number of facilities exposed to water risk
1

% company-wide facilities this represents
1-25

Production value for the metals & mining activities associated with these facilities
<Not Applicable>

% company's annual electricity generation that could be affected by these facilities
<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities
<Not Applicable>

% company's total global revenue that could be affected
Less than 1%

Comment

Country/Area & River basin

United States of America	Trinity River (Texas)

Number of facilities exposed to water risk
1

% company-wide facilities this represents
1-25

Production value for the metals & mining activities associated with these facilities
<Not Applicable>

% company's annual electricity generation that could be affected by these facilities
<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities
<Not Applicable>

% company's total global revenue that could be affected
1-10

Comment

Country/Area & River basin

India	Other, please specify (PENNAR (CAUVERY TO KRISHNA)

Number of facilities exposed to water risk
1

% company-wide facilities this represents
1-25

Production value for the metals & mining activities associated with these facilities
<Not Applicable>

% company's annual electricity generation that could be affected by these facilities
<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company's total global revenue that could be affected
Less than 1%

Comment

W4.2

(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

United States of America	Mississippi River

Type of risk & Primary risk driver

Regulatory	Regulatory uncertainty

Primary potential impact
Increased operating costs

Company-specific description
The Kellogg Water Risk Assessment identified the Memphis plant as a moderate risk for increased for areas of concern regarding uncertainty in regulatory change. The identified risk could impact direct operations by increasing the cost of production and limiting production capacity.

Timeframe
1-3 years

Magnitude of potential impact
Low

Likelihood
Likely

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
0

Potential financial impact figure - maximum (currency)
4000000

Explanation of financial impact
The calculation of financial impact assumes allocation of lost sales based on percentage of production of the facility affected by the impact. Also, a factor is applied to account for mitigation activities such as: shift in production to other sites, and inventory management to limit the impact on production reductions at the sites.

Primary response to risk
Adopt water efficiency, water reuse, recycling and conservation practices

Description of response
The Memphis plant will continue to reduce water consumption through employee engagement, asset care programs, and capital projects within the next three years. While all Kellogg manufacturing facilities have established water-efficiency goals and are implementing water-saving initiatives, we are focusing on facilities characterized as high risk in our internal Water Risk Assessment (WRA). This strategy is expected to be an effective response to the short-term risk to water stress. Water conservation and capital investment costs were estimated based on previously implemented conservation programs and projects and those currently under investigation. Kellogg is pursuing zero-cost opportunities through changes in behavior and increased engagement and awareness. We will also build sustainability into capital plans that are focused on delivering productivity improvements.

Cost of response
500000

Explanation of cost of response
Water conservation efforts are expected to cost less than $500,000 USD. This is a relatively low cost in the context of the Kellogg overall global annual operating budget. Increased capital investment is expected to cost less than $2,000,000 USD. This is calculated of existing investments in behavioral and capex programs. We see the timing of these impacts as over the next 3 years.

Country/Area & River basin

United States of America	Mississippi River

Type of risk & Primary risk driver

Acute physical	Flood (coastal, fluvial, pluvial, groundwater)

Primary potential impact
Increased operating costs

Company-specific description
The Kellogg Water Risk Assessment identified the Rossville plant as a moderate risk for flooding, uncertainty in regulatory change, as well as conflicts with the public regarding water issues related to higher public awareness around water issues, and consequently, higher reputational risks to those not sustainably .managing water. The identified risk could impact direct operations by increasing the cost of production and limiting production capacity.

Timeframe
1-3 years

Magnitude of potential impact
Low

Likelihood
Likely

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
0

Potential financial impact figure - maximum (currency)
900000

Explanation of financial impact
The calculation of financial impact assumes allocation of lost sales based on percentage of production of the facility affected by the impact. Also, a factor is applied to account for mitigation activities such as: shift in production to other sites, and inventory management to limit the impact on production reductions at the sites.

Primary response to risk
Adopt water efficiency, water reuse, recycling and conservation practices

Description of response
The Rossville plant will continue to reduce water consumption through employee engagement, asset care programs, and capital projects within the next three years. While all Kellogg manufacturing facilities have established water-efficiency goals and are implementing water-saving initiatives, we are focusing on facilities characterized as high risk in our internal Water Risk Assessment (WRA). This strategy is expected to be an effective response to the short-term risk to water stress. Water conservation and capital investment costs were estimated based on previously implemented conservation programs and projects and those currently under investigation. Kellogg is pursuing zero-cost opportunities through changes in behavior and increased engagement and awareness. We will also build sustainability into capital plans that are focused on delivering productivity improvements.

Cost of response
500000

Explanation of cost of response
Water conservation efforts are expected to cost less than $500,000 USD. This is a relatively low cost in the context of the Kellogg overall global annual operating budget. Increased capital investment is expected to cost less than $2,000,000 USD. This is calculated of existing investments in behavioral and capex programs. We see the timing of these impacts as over the next 3 years.

Country/Area & River basin

United States of America	Mississippi River

Type of risk & Primary risk driver

Acute physical	Flood (coastal, fluvial, pluvial, groundwater)

Primary potential impact
Increased operating costs

Company-specific description
The Kellogg Water Risk Assessment identified the Zanesville plant as a moderate risk for flooding, uncertainty in regulatory change, as well as conflicts with the public regarding water issues related to higher public awareness around water issues, and consequently, higher reputational risks to those not sustainably managing water. The identified risk could impact direct operations by increasing the cost of production and limiting production capacity.

Timeframe
1-3 years

Magnitude of potential impact
Low

Likelihood
Likely

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
0

Potential financial impact figure - maximum (currency)
1000000

Explanation of financial impact
The calculation of financial impact assumes allocation of lost sales based on percentage of production of the facility affected by the impact. Also, a factor is applied to account for mitigation activities such as: shift in production to other sites, and inventory management to limit the impact on production reductions at the sites.

Primary response to risk
Adopt water efficiency, water reuse, recycling and conservation practices

Description of response
The Zanesville plant will continue to reduce water consumption through employee engagement, asset care programs, and capital projects within the next three years. While all Kellogg manufacturing facilities have established water-efficiency goals and are implementing water-saving initiatives, we are focusing on facilities characterized as high risk in our internal Water Risk Assessment (WRA). This strategy is expected to be an effective response to the short-term risk to water stress. Water conservation and capital investment costs were estimated based on previously implemented conservation programs and projects and those currently under investigation. Kellogg is pursuing zero-cost opportunities through changes in behavior and increased engagement and awareness. We will also build sustainability into capital plans that are focused on delivering productivity improvements.

Cost of response
500000

Explanation of cost of response
Water conservation efforts are expected to cost less than $500,000 USD. This is a relatively low cost in the context of the Kellogg overall global annual operating budget. Increased capital investment is expected to cost less than $2,000,000 USD. This is calculated of existing investments in behavioral and capex programs. We see the timing of these impacts as over the next 3 years.

Country/Area & River basin

Republic of Korea	Han-Gang (Han River)

Type of risk & Primary risk driver

Chronic physical	Water stress

Primary potential impact
Increased operating costs

Company-specific description
The Kellogg Water Risk Assessment identified the Anseong plant as a moderate risk for increased water scarcity and stress. As water stress increases, the cost of water will continue to increase. As water scarcity increases, growth in this location may be constrained. Additionally, the Anseong plant is at risk for floods and for physical risks related to quality that may impact short- or long-term water availability such as return water flow and upstream protected land. The identified risk could impact direct operations by increasing the cost of production and limiting production capacity.

Timeframe
1-3 years

Magnitude of potential impact
Low

Likelihood
Likely

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
0

Potential financial impact figure - maximum (currency)
800000

Explanation of financial impact
The calculation of financial impact assumes allocation of lost sales based on percentage of production of the facility affected by the impact. Also, a factor is applied to account for mitigation activities such as: shift in production to other sites, and inventory management to limit the impact on production reductions at the sites.

Primary response to risk
Adopt water efficiency, water reuse, recycling and conservation practices

Description of response
The Anseong plant will continue to reduce water consumption through employee engagement, asset care programs, and capital projects within the next three years. While all Kellogg manufacturing facilities have established water-efficiency goals and are implementing water-saving initiatives, we are focusing on facilities characterized as high risk in our internal Water Risk Assessment (WRA). This strategy is expected to be an effective response to the short-term risk to water stress. Water conservation and capital investment costs were estimated based on previously implemented conservation programs and projects and those currently under investigation. Kellogg is pursuing zero-cost opportunities through changes in behavior and increased engagement and awareness. We will also build sustainability into capital plans that are focused on delivering productivity improvements.

Cost of response
500000

Explanation of cost of response
Water conservation efforts are expected to cost less than $500,000 USD. This is a relatively low cost in the context of the Kellogg overall global annual operating budget. Increased capital investment is expected to cost less than $2,000,000 USD. This is calculated of existing investments in behavioral and capex programs. We see the timing

of these impacts as over the next 3 years.

Country/Area & River basin

Mexico	Santiago

Type of risk & Primary risk driver

Chronic physical	Water stress

Primary potential impact
Increased operating costs

Company-specific description
The Kellogg Water Risk Assessment identified the plants located in Queretaro, Mexico as a high risk for increased water scarcity and stress. As water stress increases, the cost of water will continue to increase. As water scarcity increases, growth in this location may be constrained. Additionally, manufacturing facilities in water constrained areas have the potential for scrutiny from external stakeholders, including the media. Additionally, the Queretaro plant is at risk for a variety of regulatory risks due to increased regulatory requirements and increased social risk due public awareness on water issues in the area. The identified risk could impact direct operations by increasing the cost of production and limiting production capacity.

Timeframe
1-3 years

Magnitude of potential impact
Low

Likelihood
Likely

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
0

Potential financial impact figure - maximum (currency)
4500000

Explanation of financial impact
The calculation of financial impact assumes allocation of lost sales based on percentage of production of the facility affected by the impact. Also, a factor is applied to account for mitigation activities such as: shift in production to other sites, and inventory management to limit the impact on production reductions at the sites.

Primary response to risk
Adopt water efficiency, water reuse, recycling and conservation practices

Description of response
Our Mexico plants are reducing water use by focusing employee engagement efforts on increasing the use of dry-cleaning methods. The plants will continue to reduce water consumption through employee engagement, asset care programs, and capital projects within the next three years. While all Kellogg manufacturing facilities have established water-efficiency goals and are implementing water-saving initiatives, we are focusing on high risk locations like those in Mexico. Kellogg is pursuing zero-cost opportunities to through changing behavior and increasing engagement and awareness. We will also build sustainability into capital plans that are focused on delivering productivity improvements.

Cost of response
500000

Explanation of cost of response
Water conservation efforts are expected to cost less than $500,000 USD. This is a relatively low cost in the context of the Kellogg overall global annual operating budget. Increased capital investment is expected to cost less than $2,000,000 USD. This is calculated of existing investments in behavioral and capex programs. We see the timing of these impacts as over the next 3 years.

Country/Area & River basin

India	Other, please specify (Pulicat Lake)

Type of risk & Primary risk driver

Chronic physical	Water stress

Primary potential impact
Increased operating costs

Company-specific description
The Kellogg Water Risk Assessment identified the Sri City, India plant as a moderate risk for increased water scarcity and stress. As water stress increases, the cost of water will continue to increase. As water scarcity increases, growth in this location may be constrained. The Sri City plant is in an area that has been identified as an area of concern regarding water quality that may impact short- or long-term water availability such as return water flow and upstream protected land. Additionally, the Sri City plant is at risk for a variety of regulatory risks due to the lack of water strategy at the local, national, and upstream governments, lack of sophistication and clarity of water-related legal framework and its enforcement, and the lack of official forum or platform for stakeholders to come together to discuss water-related issues of the basin. The identified risk could impact direct operations by increasing the cost of production and limiting production capacity.

Timeframe
1-3 years

Magnitude of potential impact
Low

Likelihood
Likely

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
0

Potential financial impact figure - maximum (currency)
400000

Explanation of financial impact
The calculation of financial impact assumes allocation of lost sales based on percentage of production of the facility affected by the impact. Also, a factor is applied to account for mitigation activities such as: shift in production to other sites, and inventory management to limit the impact on production reductions at the sites.

Primary response to risk
Adopt water efficiency, water reuse, recycling and conservation practices

Description of response
The Sri City, India plant was built in 2015. Prior to construction, our Water Risk Assessment identified that the planned location represented a high-water risk, which could limit the long-term growth strategy. This risk was partially mitigated through the site design, by using treated wastewater for irrigation. In 2016, our Sri City plant replaced hoses with high pressure jets, reducing the time required for cleaning and savings 10,000 litres of water annually. The Sri City plant will continue to reduce water consumption through employee engagement, asset care programs, and capital projects within the next three years. While all Kellogg manufacturing facilities have established water-efficiency goals and are implementing water-saving initiatives, we are focusing on high risk locations. This strategy is expected to be an effective response to the short-term risk to water stress. Water conservation and capital investment costs were estimated based on previously implemented conservation programs and projects and those currently under investigation. If growth is constrained at the Sri City plant, one potential solution would be to invest capital in either product relocation or additional water reduction/reuse technologies at this facility. This response is not expected to be required within the next decade. This strategy is expected to be an effective response to the long-term water scarcity risks. Kellogg is pursuing zero-cost opportunities to through changing behavior and increasing engagement and awareness. We will also build sustainability into capital plans that are focused on delivering productivity improvements.

Cost of response
500000

Explanation of cost of response
Water conservation efforts are expected to cost less than $500,000 USD. This is a relatively low cost in the context of the Kellogg overall global annual operating budget. Increased capital investment is expected to cost less than $2,000,000 USD. This is calculated of existing investments in behavioral and capex programs. We see the timing of these impacts as over the next 3 years.

Country/Area & River basin

India	Other, please specify (Pennar (Cauvery To Krishna))

Type of risk & Primary risk driver

Chronic physical	Water stress

Primary potential impact
Increased operating costs

Company-specific description
The Kellogg Water Risk Assessment identified the Taloja plant as a moderate risk for increased water scarcity and stress. As water stress increases, the cost of water will continue to increase. As water scarcity increases, growth in this location may be constrained. Additionally, the Taloja plant is at risk for a variety of regulatory risks due to the lack of water strategy at the local, national, and upstream governments, lack of sophistication and clarity of water-related legal framework and its enforcement, and the lack of official forum or platform for stakeholders to come together to discuss water-related issues of the basin. The plant is also affected by seasonality, variation in water supply between months in a year. The identified risk could impact direct operations by increasing the cost of production and limiting production capacity.

Timeframe
1-3 years

Magnitude of potential impact
Low

Likelihood
Likely

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
0

Potential financial impact figure - maximum (currency)
1000000

Explanation of financial impact
The calculation of financial impact assumes allocation of lost sales based on percentage of production of the facility affected by the impact. Also, a factor is applied to account for mitigation activities such as: shift in production to other sites, and inventory management to limit the impact on production reductions at the sites.

Primary response to risk
Adopt water efficiency, water reuse, recycling and conservation practices

Description of response
The Taloja plant will continue to reduce water consumption through employee engagement, asset care programs, and capital projects within the next three years. While all Kellogg manufacturing facilities have established water-efficiency goals and are implementing water-saving initiatives, we are focusing on facilities characterized as high risk in our internal Water Risk Assessment (WRA). This strategy is expected to be an effective response to the short-term risk to water stress. Water conservation and capital investment costs were estimated based on previously implemented conservation programs and projects and those currently under investigation. Kellogg is pursuing zero-cost opportunities through changes in behavior and increased engagement and awareness. We will also build sustainability into capital plans that are focused on delivering productivity improvements.

Cost of response
500000

Explanation of cost of response
Water conservation efforts are expected to cost less than $500,000 USD. This is a relatively low cost in the context of the Kellogg overall global annual operating budget. Increased capital investment is expected to cost less than $2,000,000 USD. This is calculated of existing investments in behavioral and capex programs. We see the timing of these impacts as over the next 3 years.

Country/Area & River basin

Mexico	Santiago

Type of risk & Primary risk driver

Chronic physical	Water stress

Primary potential impact
Increased operating costs

Company-specific description
The Kellogg Water Risk Assessment identified the Toluca plant as a moderate risk for increased water scarcity and stress. As water stress increases, the cost of water will continue to increase. As water scarcity increases, growth in this location may be constrained. The Toluca plant is in an area that has been identified as an area of concern regarding water quality that may impact short- or long-term water availability such as return water flow and upstream protected land. The identified risk could impact direct operations by increasing the cost of production and limiting production capacity.

Timeframe
1-3 years

Magnitude of potential impact
Low

Likelihood
Likely

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
0

Potential financial impact figure - maximum (currency)
2000000

Explanation of financial impact
The calculation of financial impact assumes allocation of lost sales based on percentage of production of the facility affected by the impact. Also, a factor is applied to account for mitigation activities such as: shift in production to other sites, and inventory management to limit the impact on production reductions at the sites.

Primary response to risk
Adopt water efficiency, water reuse, recycling and conservation practices

Description of response
Our Mexico plants are reducing water use by focusing employee engagement efforts on increasing the use of dry-cleaning methods. The plants will continue to reduce water consumption through employee engagement, asset care programs, and capital projects within the next three years. While all Kellogg manufacturing facilities have established water-efficiency goals and are implementing water-saving initiatives, we are focusing on high risk locations like those in Mexico. Kellogg is pursuing zero-cost opportunities through changes in behavior and increased engagement and awareness. We will also build sustainability into capital plans that are focused on delivering productivity improvements.

Cost of response
500000

Explanation of cost of response
Water conservation efforts are expected to cost less than $500,000 USD. This is a relatively low cost in the context of the Kellogg overall global annual operating budget. Increased capital investment is expected to cost less than $2,000,000 USD. This is calculated of existing investments in behavioral and capex programs. We see the timing of these impacts as over the next 3 years.

Country/Area & River basin

United States of America	St. Lawrence

Type of risk & Primary risk driver

Chronic physical	Water stress

Primary potential impact
Increased operating costs

Company-specific description
The Kellogg Water Risk Assessment identified the Wyoming plant as a moderate risk for increased water scarcity and stress. As water stress increases, the cost of water will continue to increase. As water scarcity increases, growth in this location may be constrained. Additionally, the Wyoming plant is at risk for uncertainty in regulatory change. The identified risk could impact direct operations by increasing the cost of production and limiting production capacity.

Timeframe
1-3 years

Magnitude of potential impact
Low

Likelihood
Likely

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
0

Potential financial impact figure - maximum (currency)
600000

Explanation of financial impact
The calculation of financial impact assumes allocation of lost sales based on percentage of production of the facility affected by the impact. Also, a factor is applied to account for mitigation activities such as: shift in production to other sites, and inventory management to limit the impact on production reductions at the sites.

Primary response to risk
Adopt water efficiency, water reuse, recycling and conservation practices

Description of response
The Wyoming plant will continue to reduce water consumption through employee engagement, asset care programs, and capital projects within the next three years. While all Kellogg manufacturing facilities have established water-efficiency goals and are implementing water-saving initiatives, we are focusing on facilities characterized as high risk in our internal Water Risk Assessment (WRA). This strategy is expected to be an effective response to the short-term risk to water stress. Water conservation and capital investment costs were estimated based on previously implemented conservation programs and projects and those currently under investigation. Kellogg is pursuing zero-cost opportunities through changes in behavior and increased engagement and awareness. We will also build sustainability into capital plans that are focused on delivering productivity improvements.

Cost of response
500000

Explanation of cost of response
Water conservation efforts are expected to cost less than $500,000 USD. This is a relatively low cost in the context of the Kellogg overall global annual operating budget. Increased capital investment is expected to cost less than $2,000,000 USD. This is calculated of existing investments in behavioral and capex programs. We see the timing of these impacts as over the next 3 years.

Country/Area & River basin

United States of America	Other, please specify (Sacramento)

Type of risk & Primary risk driver

Chronic physical	Water stress

Primary potential impact
Increased operating costs

Company-specific description
The Kellogg Water Risk Assessment identified the San Jose plant as a moderate risk for increased water scarcity and stress. As water stress increases, the cost of water will continue to increase. As water scarcity increases, growth in this location may be constrained. The San Jose plant is in an area that has been identified as an area of concern regarding water quality that may impact short- or long-term water availability such as return water flow and upstream protected land. The identified risk could impact direct operations by increasing the cost of production and limiting production capacity.

Timeframe
1-3 years

Magnitude of potential impact
Low

Likelihood
Likely

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
0

Potential financial impact figure - maximum (currency)
1000000

Explanation of financial impact
The calculation of financial impact assumes allocation of lost sales based on percentage of production of the facility affected by the impact. Also, a factor is applied to account for mitigation activities such as: shift in production to other sites, and inventory management to limit the impact on production reductions at the sites.

Primary response to risk
Adopt water efficiency, water reuse, recycling and conservation practices

Description of response
The San Jose plant will continue to reduce water consumption through employee engagement, asset care programs, and capital projects within the next three years. While all Kellogg manufacturing facilities have established water-efficiency goals and are implementing water-saving initiatives, we are focusing on facilities characterized as high risk in our internal Water Risk Assessment (WRA). This strategy is expected to be an effective response to the short-term risk to water stress. Water conservation and capital investment costs were estimated based on previously implemented conservation programs and projects and those currently under investigation. Kellogg is pursuing zero-cost opportunities through changes in behavior and increased engagement and awareness. We will also build sustainability into capital plans that are focused on delivering productivity improvements.

Cost of response
500000

Explanation of cost of response
Water conservation efforts are expected to cost less than $500,000 USD. This is a relatively low cost in the context of the Kellogg overall global annual operating budget. Increased capital investment is expected to cost less than $2,000,000 USD. This is calculated of existing investments in behavioral and capex programs. We see the timing of these impacts as over the next 3 years.

Country/Area & River basin

Mexico	Colorado River (Pacific Ocean)

Type of risk & Primary risk driver

Chronic physical	Water stress

Primary potential impact
Increased operating costs

Company-specific description
The Kellogg Water Risk Assessment identified the Mexicali plant as a moderate risk for increased water scarcity and stress. As water stress increases, the cost of water will continue to increase. As water scarcity increases, growth in this location may be constrained. The Toluca plant is in an area that has been identified as an area of concern regarding water quality that may impact short- or long-term water availability such as return water flow and upstream protected land. The identified risk could impact direct operations by increasing the cost of production and limiting production capacity.

Timeframe
1-3 years

Magnitude of potential impact
Low

Likelihood
Likely

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
0

Potential financial impact figure - maximum (currency)
800000

Explanation of financial impact
The calculation of financial impact assumes allocation of lost sales based on percentage of production of the facility affected by the impact. Also, a factor is applied to account for mitigation activities such as: shift in production to other sites, and inventory management to limit the impact on production reductions at the sites.

Primary response to risk
Adopt water efficiency, water reuse, recycling and conservation practices

Description of response
Our Mexico plants are reducing water use by focusing employee engagement efforts on increasing the use of dry-cleaning methods. The plants will continue to reduce water consumption through employee engagement, asset care programs, and capital projects within the next three years. While all Kellogg manufacturing facilities have established water-efficiency goals and are implementing water-saving initiatives, we are focusing on high risk locations like those in Mexico. Kellogg is pursuing zero-cost opportunities through changes in behavior and increased engagement and awareness. We will also build sustainability into capital plans that are focused on delivering

productivity improvements.

Cost of response
500000

Explanation of cost of response
Water conservation efforts are expected to cost less than $500,000 USD. This is a relatively low cost in the context of the Kellogg overall global annual operating budget. Increased capital investment is expected to cost less than $2,000,000 USD. This is calculated of existing investments in behavioral and capex programs. We see the timing of these impacts as over the next 3 years.

Country/Area & River basin

United States of America	Trinity River (Texas)

Type of risk & Primary risk driver

Chronic physical	Water stress

Primary potential impact
Increased operating costs

Company-specific description
The Kellogg Water Risk Assessment identified the Omaha, Nebraska plant as a moderate risk for increased water scarcity and stress. As water stress increases, the cost of water will continue to increase. As water scarcity increases, growth in this location may be constrained. Additionally, the internal knowledge survey portion of our Water Risk Assessment has highlighted the fact that the local infrastructure is currently capacity constrained and has a history of flooding. Other areas of concern regarding uncertainty in regulatory change, as well as conflicts with the public regarding water issues. The identified risk could impact direct operations by increasing the cost of production and limiting production capacity.

Timeframe
1-3 years

Magnitude of potential impact
Low

Likelihood
Likely

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
0

Potential financial impact figure - maximum (currency)
5000000

Explanation of financial impact
The calculation of financial impact assumes allocation of lost sales based on percentage of production of the facility affected by the impact. Also, a factor is applied to account for mitigation activities such as: shift in production to other sites, and inventory management to limit the impact on production reductions at the sites.

Primary response to risk
Adopt water efficiency, water reuse, recycling and conservation practices

Description of response
During 2015 and 2016, the Omaha, Nebraska GoGreen employee engagement team held several plant-wide meetings to increase employee awareness about onsite water use and to generate water saving ideas. The Omaha plant will continue to reduce water consumption through employee engagement, asset care programs, and capital projects within the next three years. While all Kellogg manufacturing facilities have established water-efficiency goals and are implementing water-saving initiatives, we are focusing on facilities characterized as high risk in our internal Water Risk Assessment (WRA). The Omaha plant is investigating water reuse projects. This strategy is expected to be an effective response to the short-term risk to water stress. Water conservation and capital investment costs were estimated based on previously implemented conservation programs and projects and those currently under investigation. If growth is constrained or the local infrastructure constraint is not resolved at the Omaha plant, one potential solution would be to invest capital in either product relocation or water reduction/reuse technologies at this facility. This response is not expected to be required within the next decade. This strategy is expected to be an effective response to the long-term water scarcity risks. Capital investment costs were estimated based on previously implemented projects and those currently under investigation. Kellogg is pursuing zero-cost opportunities through changes in behavior and increased engagement and awareness. We will also build sustainability into capital plans that are focused on delivering productivity improvements.

Cost of response
500000

Explanation of cost of response
Water conservation efforts are expected to cost less than $500,000 USD. This is a relatively low cost in the context of the Kellogg overall global annual operating budget. Increased capital investment is expected to cost less than $2,000,000 USD. This is calculated of existing investments in behavioral and capex programs. We see the timing of these impacts as over the next 3 years.

Country/Area & River basin

United States of America	St. Lawrence

Type of risk & Primary risk driver

Chronic physical	Water stress

Primary potential impact
Increased operating costs

Company-specific description
The Kellogg Water Risk Assessment identified the Battle Creek plant as a moderate risk for increased water scarcity and stress. As water stress increases, the cost of water will continue to increase. As water scarcity increases, growth in this location may be constrained. Additionally, the Battle Creek plant is at risk for physical risks related to quality that may impact short- or long-term water availability such as return water flow and upstream protected land. The identified risk could impact direct operations by increasing the cost of production and limiting production capacity

Timeframe
1-3 years

Magnitude of potential impact
Low

Likelihood
Likely

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
0

Potential financial impact figure - maximum (currency)
3500000

Explanation of financial impact
The calculation of financial impact assumes allocation of lost sales based on percentage of production of the facility affected by the impact. Also, a factor is applied to account for mitigation activities such as: shift in production to other sites, and inventory management to limit the impact on production reductions at the sites.

Primary response to risk
Adopt water efficiency, water reuse, recycling and conservation practices

Description of response
The Battle Creek plant will continue to reduce water consumption through employee engagement, asset care programs, and capital projects within the next three years. While all Kellogg manufacturing facilities have established water-efficiency goals and are implementing water-saving initiatives, we are focusing on facilities characterized as high risk in our internal Water Risk Assessment (WRA). This strategy is expected to be an effective response to the short-term risk to water stress. Water conservation and capital investment costs were estimated based on previously implemented conservation programs and projects and those currently under investigation. Kellogg is pursuing zero-cost opportunities through changes in behavior and increased engagement and awareness. We will also build sustainability into capital plans that are focused on delivering productivity improvements.

Cost of response
500000

Explanation of cost of response
Water conservation efforts are expected to cost less than $500,000 USD. This is a relatively low cost in the context of the Kellogg overall global annual operating budget. Increased capital investment is expected to cost less than $2,000,000 USD. This is calculated of existing investments in behavioral and capex programs. We see the timing of these impacts as over the next 3 years.

Country/Area & River basin

United States of America	Delaware River

Type of risk & Primary risk driver

Chronic physical	Water stress

Primary potential impact
Increased operating costs

Company-specific description
The Kellogg Water Risk Assessment identified the Blue Anchor plant as a moderate risk for flooding, uncertainty in regulatory change, as well as conflicts with the public regarding water issues related to higher public awareness around water issues, and consequently, higher reputational risks to those not sustainably managing water. The identified risk could impact direct operations by increasing the cost of production and limiting production capacity.

Timeframe
1-3 years

Magnitude of potential impact
Low

Likelihood
Likely

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)
0

Potential financial impact figure - maximum (currency)
800000

Explanation of financial impact
The calculation of financial impact assumes allocation of lost sales based on percentage of production of the facility affected by the impact. Also, a factor is applied to account for mitigation activities such as: shift in production to other sites, and inventory management to limit the impact on production reductions at the sites.

Primary response to risk
Adopt water efficiency, water reuse, recycling and conservation practices

Description of response
The Blue Anchor plant will continue to reduce water consumption through employee engagement, asset care programs, and capital projects within the next three years. While all Kellogg manufacturing facilities have established water-efficiency goals and are implementing water-saving initiatives, we are focusing on facilities characterized as high risk in our internal Water Risk Assessment (WRA). This strategy is expected to be an effective response to the short-term risk to water stress. Water conservation and capital investment costs were estimated based on previously implemented conservation programs and projects and those currently under investigation. Kellogg is pursuing zero-cost opportunities through changes in behavior and increased engagement and awareness. We will also build sustainability into capital plans that are focused on delivering productivity improvements.

Cost of response
500000

Explanation of cost of response
Water conservation efforts are expected to cost less than $500,000 USD. This is a relatively low cost in the context of the Kellogg overall global annual operating budget. Increased capital investment is expected to cost less than $2,000,000 USD. This is calculated of existing investments in behavioral and capex programs. We see the timing of these impacts as over the next 3 years.

Country/Area & River basin

Australia	Murray - Darling

Type of risk & Primary risk driver

Chronic physical	Water stress

Primary potential impact
Increased operating costs

Company-specific description
The Kellogg Water Risk Assessment identified the Botany plant as a moderate risk for increased water scarcity and stress. As water stress increases, the cost of water will continue to increase. As water scarcity increases, growth in this location may be constrained. The Botany plant is in an area that has been identified as an area of concern regarding water quality that may impact short- or long-term water availability such as return water flow and upstream protected land. Also, of concern is uncertainty in regulatory change, as well as conflicts with the public regarding water issues related to higher public awareness around water issues, and consequently, higher reputational risks to those not sustainably managing water. The identified risk could impact direct operations by increasing the cost of production and limiting production capacity.

Timeframe
1-3 years

Magnitude of potential impact
Low

Likelihood
Likely

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
0

Potential financial impact figure - maximum (currency)
2000000

Explanation of financial impact
The calculation of financial impact assumes allocation of lost sales based on percentage of production of the facility affected by the impact. Also, a factor is applied to account for mitigation activities such as: shift in production to other sites, and inventory management to limit the impact on production reductions at the sites.

Primary response to risk
Adopt water efficiency, water reuse, recycling and conservation practices

Description of response
Botany, over the past 3 years, has achieved a 25% water reduction via the implementation of over 40 water meters. The Botany plant will continue to reduce water consumption through employee engagement, asset care programs, and capital projects within the next three years. While all Kellogg manufacturing facilities have established water-efficiency goals and are implementing water-saving initiatives, we are focusing on facilities characterized as high risk in our internal Water Risk Assessment (WRA). This strategy is expected to be an effective response to the short-term risk to water stress. Water conservation and capital investment costs were estimated based on previously implemented conservation programs and projects and those currently under investigation. Kellogg is pursuing zero-cost opportunities through changes in behavior and increased engagement and awareness. We will also build sustainability into capital plans that are focused on delivering productivity improvements.

Cost of response
500000

Explanation of cost of response
Water conservation efforts are expected to cost less than $500,000 USD. This is a relatively low cost in the context of the Kellogg overall global annual operating budget. Increased capital investment is expected to cost less than $2,000,000 USD. This is calculated of existing investments in behavioral and capex programs. We see the timing of these impacts as over the next 3 years.

Country/Area & River basin

Egypt	Nile

Type of risk & Primary risk driver

Chronic physical	Water stress

Primary potential impact
Increased operating costs

Company-specific description
The Kellogg Water Risk Assessment identified the Cairo Mass Foods Man plant as a moderate risk for increased water scarcity and stress. As water stress increases, the cost of water will continue to increase. As water scarcity increases, growth in this location may be constrained. The Cairo Mass Foods Man plant is in an area that has been identified as having an unsustainable groundwater consumption could affect groundwater availability and groundwater-dependent ecosystems. Also, of concern is uncertainty about conflicts with the public regarding water issues related to higher public awareness around water issues, and consequently, higher reputational risks to those not sustainably managing water. The identified risk could impact direct operations by increasing the cost of production and limiting production capacity.

Timeframe
1-3 years

Magnitude of potential impact
Low

Likelihood
Likely

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
0

Potential financial impact figure - maximum (currency)
150000

Explanation of financial impact
The calculation of financial impact assumes allocation of lost sales based on percentage of production of the facility affected by the impact. Also, a factor is applied to account for mitigation activities such as: shift in production to other sites, and inventory management to limit the impact on production reductions at the sites.

Primary response to risk
Adopt water efficiency, water reuse, recycling and conservation practices

Description of response
The Cairo Mass Foods Man plant will continue to reduce water consumption through employee engagement, asset care programs, and capital projects within the next three years. While all Kellogg manufacturing facilities have established water-efficiency goals and are implementing water-saving initiatives, we are focusing on facilities characterized as high risk in our internal Water Risk Assessment (WRA). This strategy is expected to be an effective response to the short-term risk to water stress. Water conservation and capital investment costs were estimated based on previously implemented conservation programs and projects and those currently under investigation. Kellogg is pursuing zero-cost opportunities through changes in behavior and increased engagement and awareness. We will also build sustainability into capital plans that are focused on delivering productivity improvements.

Cost of response
500000

Explanation of cost of response
Water conservation efforts are expected to cost less than $500,000 USD. This is a relatively low cost in the context of the Kellogg overall global annual operating budget. Increased capital investment is expected to cost less than $2,000,000 USD. This is calculated of existing investments in behavioral and capex programs. We see the timing of these impacts as over the next 3 years.

Country/Area & River basin

Egypt	Nile

Type of risk & Primary risk driver

Chronic physical	Water stress

Primary potential impact
Increased operating costs

Company-specific description
The Kellogg Water Risk Assessment identified the Cairo Mass Foods Int plant as a moderate risk for increased water scarcity and stress. As water stress increases, the cost of water will continue to increase. As water scarcity increases, growth in this location may be constrained. The Cairo Mass Foods Man plant is in an area that has been identified as having an unsustainable groundwater consumption could affect groundwater availability and groundwater-dependent ecosystems. Also, of concern is uncertainty about conflicts with the public regarding water issues related to higher public awareness around water issues, and consequently, higher reputational risks to those not sustainably managing water. The identified risk could impact direct operations by increasing the cost of production and limiting production capacity.

Timeframe
1-3 years

Magnitude of potential impact
Low

Likelihood
Likely

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
0

Potential financial impact figure - maximum (currency)
300000

Explanation of financial impact
The calculation of financial impact assumes allocation of lost sales based on percentage of production of the facility affected by the impact. Also, a factor is applied to account for mitigation activities such as: shift in production to other sites, and inventory management to limit the impact on production reductions at the sites.

Primary response to risk
Adopt water efficiency, water reuse, recycling and conservation practices

Description of response
The Cairo Mass Foods Int plant will continue to reduce water consumption through employee engagement, asset care programs, and capital projects within the next three years. While all Kellogg manufacturing facilities have established water-efficiency goals and are implementing water-saving initiatives, we are focusing on facilities characterized as high risk in our internal Water Risk Assessment (WRA). This strategy is expected to be an effective response to the short-term risk to water stress. Water conservation and capital investment costs were estimated based on previously implemented conservation programs and projects and those currently under investigation. Kellogg is pursuing zero-cost opportunities through changes in behavior and increased engagement and awareness. We will also build sustainability into capital plans that are focused on delivering productivity improvements.

Cost of response
500000

Explanation of cost of response
Water conservation efforts are expected to cost less than $500,000 USD. This is a relatively low cost in the context of the Kellogg overall global annual operating budget. Increased capital investment is expected to cost less than $2,000,000 USD. This is calculated of existing investments in behavioral and capex programs. We see the timing of these impacts as over the next 3 years.

Country/Area & River basin

United States of America	St. Lawrence

Type of risk & Primary risk driver

Chronic physical	Water stress

Primary potential impact
Increased operating costs

Company-specific description
The Kellogg Water Risk Assessment identified the Grand Rapids plant as a moderate risk for increased water scarcity and stress. As water stress increases, the cost of water will continue to increase. As water scarcity increases, growth in this location may be constrained. The Grand Rapids plant is in an area that has been identified as an area of concern regarding water quality that may impact short- or long-term water availability such as return water flow and upstream protected land. The identified risk could impact direct operations by increasing the cost of production and limiting production capacity.

Timeframe
1-3 years

Magnitude of potential impact
Low

Likelihood
Likely

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
0

Potential financial impact figure - maximum (currency)
4000000

Explanation of financial impact
The calculation of financial impact assumes allocation of lost sales based on percentage of production of the facility affected by the impact. Also, a factor is applied to account for mitigation activities such as: shift in production to other sites, and inventory management to limit the impact on production reductions at the sites.

Primary response to risk
Adopt water efficiency, water reuse, recycling and conservation practices

Description of response
The Grand Rapids plant will continue to reduce water consumption through employee engagement, asset care programs, and capital projects within the next three years. While all Kellogg manufacturing facilities have established water-efficiency goals and are implementing water-saving initiatives, we are focusing on facilities characterized as high risk in our internal Water Risk Assessment (WRA). This strategy is expected to be an effective response to the short-term risk to water stress. Water conservation and capital investment costs were estimated based on previously implemented conservation programs and projects and those currently under investigation. Kellogg is pursuing zero-cost opportunities through changes in behavior and increased engagement and awareness. We will also build sustainability into capital plans that are focused on delivering productivity improvements

Cost of response
500000

Explanation of cost of response
Water conservation efforts are expected to cost less than $500,000 USD. This is a relatively low cost in the context of the Kellogg overall global annual operating budget. Increased capital investment is expected to cost less than $2,000,000 USD. This is calculated of existing investments in behavioral and capex programs. We see the timing of these impacts as over the next 3 years.

Country/Area & River basin

Malaysia	Other, please specify (Langat)

Type of risk & Primary risk driver

Chronic physical	Water stress

Primary potential impact
Increased operating costs

Company-specific description
The Kellogg Water Risk Assessment identified the Enstek plant as a moderate risk for increased water scarcity and stress. As water stress increases, the cost of water will continue to increase. As water scarcity increases, growth in this location may be constrained. The Enstek plant is in an area that has been identified as an area of concern regarding water quality that may impact short- or long-term water availability such as return water flow and upstream protected land. The identified risk could impact direct operations by increasing the cost of production and limiting production capacity.

Timeframe
1-3 years

Magnitude of potential impact
Low

Likelihood
Likely

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
0

Potential financial impact figure - maximum (currency)
800000

Explanation of financial impact
The calculation of financial impact assumes allocation of lost sales based on percentage of production of the facility affected by the impact. Also, a factor is applied to account for mitigation activities such as: shift in production to other sites, and inventory management to limit the impact on production reductions at the sites.

Primary response to risk
Adopt water efficiency, water reuse, recycling and conservation practices

Description of response
The Enstek plant will continue to reduce water consumption through employee engagement, asset care programs, and capital projects within the next three years. While all Kellogg manufacturing facilities have established water-efficiency goals and are implementing water-saving initiatives, we are focusing on facilities characterized as high risk in our internal Water Risk Assessment (WRA). This strategy is expected to be an effective response to the short-term risk to water stress. Water conservation and capital investment costs were estimated based on previously implemented conservation programs and projects and those currently under investigation. Kellogg is pursuing zero-cost opportunities through changes in behavior and increased engagement and awareness. We will also build sustainability into capital plans that are focused on delivering productivity improvements.

Cost of response
500000

Explanation of cost of response
Water conservation efforts are expected to cost less than $500,000 USD. This is a relatively low cost in the context of the Kellogg overall global annual operating budget. Increased capital investment is expected to cost less than $2,000,000 USD. This is calculated of existing investments in behavioral and capex programs. We see the timing

of these impacts as over the next 3 years.

Country/Area & River basin

Belgium	Other, please specify (Escaut (Schelde))

Type of risk & Primary risk driver

Chronic physical	Water stress

Primary potential impact
Increased operating costs

Company-specific description
The Kellogg Water Risk Assessment identified the Mechelen plant as a moderate risk for increased water scarcity and stress. As water stress increases, the cost of water will continue to increase. As water scarcity increases, growth in this location may be constrained. The Mechelen plant is in an area that has been identified as an area of concern regarding water quality that may impact short- or long-term water availability such as return water flow and upstream protected land. The identified risk could impact direct operations by increasing the cost of production and limiting production capacity.

Timeframe
1-3 years

Magnitude of potential impact
Low

Likelihood
Likely

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
0

Potential financial impact figure - maximum (currency)
4000000

Explanation of financial impact
The calculation of financial impact assumes allocation of lost sales based on percentage of production of the facility affected by the impact. Also, a factor is applied to account for mitigation activities such as: shift in production to other sites, and inventory management to limit the impact on production reductions at the sites.

Primary response to risk
Adopt water efficiency, water reuse, recycling and conservation practices

Description of response
The Mechelen plant will continue to reduce water consumption through employee engagement, asset care programs, and capital projects within the next three years. While all Kellogg manufacturing facilities have established water-efficiency goals and are implementing water-saving initiatives, we are focusing on facilities characterized as high risk in our internal Water Risk Assessment (WRA). This strategy is expected to be an effective response to the short-term risk to water stress. Water conservation and capital investment costs were estimated based on previously implemented conservation programs and projects and those currently under investigation. Kellogg is pursuing zero-cost opportunities through changes in behavior and increased engagement and awareness. We will also build sustainability into capital plans that are focused on delivering productivity improvements.

Cost of response
500000

Explanation of cost of response
Water conservation efforts are expected to cost less than $500,000 USD. This is a relatively low cost in the context of the Kellogg overall global annual operating budget. Increased capital investment is expected to cost less than $2,000,000 USD. This is calculated of existing investments in behavioral and capex programs. We see the timing of these impacts as over the next 3 years.

W4.2a

(W4.2a) Provide details of risks identified within your value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

United States of America	Other, please specify (Multiple river basins across the US)

Stage of value chain
Supply chain

Type of risk & Primary risk driver

Chronic physical	Seasonal supply variability/inter annual variability

Primary potential impact
Increased operating costs

Company-specific description
In 2019 and 2020, unusually heavy rainfall, snow and unseasonably cold weather in the United States and Europe negatively affected crop productivity. This resulted in reduced delivery of contracted ingredient volumes in 2020.

Timeframe
1-3 years

Magnitude of potential impact
Low

Likelihood
Likely

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
0

Potential financial impact figure - maximum (currency)
3000000

Explanation of financial impact
Financial impact is calculated based on market prices of commodities impacted within the reporting year. Short-term continuity of ingredient supply. Long-term risk of increased costs in future years due to limited availability and logistics costs associated with alternative sourcing arrangements.

Primary response to risk

Supplier engagement	Promote the adoption of soil conservation practices among suppliers

Description of response
This example was flagged by procurement and shared to Global Sustainability team. In the short term, Kellogg partnered with suppliers to address gaps in volume deliveries. In addition, by working with suppliers and farmers to measure continuous improvement via the Kellogg Grower Survey and secure future supply, we can mitigate the operational risk and find opportunities to support best management practices on the field. Geographic climate risk, agribusiness and sustainable agriculture practices are assessed as part of ingredient category strategies that inform long-term sourcing strategy for key ingredients. Our sustainable agriculture program, Kellogg's Origins™, puts an emphasis on connecting growers with other agricultural experts to help improve soil health and nutrient efficiency and promote practices that improve farmers' resilience to extreme weather events linked to climate change. Costs were estimated based on historic pricing and volumes. Kellogg is pursuing low- and zero-cost opportunities to ensure continuity of supply with our suppliers and find viable logistics opportunities as part of ongoing supplier partnerships.

Cost of response
0

Explanation of cost of response
Costs were estimated based on historic pricing and volumes. Kellogg is pursuing low- and zero-cost opportunities to ensure continuity of supply with our suppliers and find viable logistics opportunities as part of ongoing supplier partnerships.

Country/Area & River basin

Canada	Other, please specify (Multiple Canada)

Stage of value chain
Supply chain

Type of risk & Primary risk driver

Chronic physical	Seasonal supply variability/inter annual variability

Primary potential impact
Increased operating costs

Company-specific description
Drought during the 2020 crop season in North and Central America impacted crop quality. This resulted in the necessity to explore alternate supply.

Timeframe
Current up to one year

Magnitude of potential impact
Medium

Likelihood
Very likely

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)
<Not Applicable>

Explanation of financial impact
Financial impact is calculated based on market prices of commodities impacted within the reporting year. The estimated cost impact of this weather event was estimated within the remote range, though there was no disruption to ingredient supply.

Primary response to risk

Supplier engagement	Promote the adoption of soil conservation practices among suppliers

Description of response
This example was flagged by procurement and shared to Global Sustainability team. In the short term, Kellogg partnered with suppliers to address volume requirements despite drought impacts. In addition, by working with suppliers and farmers to measure continuous improvement via the Kellogg Grower Survey and secure future supply, we can mitigate the operational risk and find opportunities to support best management practices on the field. Geographic climate risk, agribusiness and sustainable agriculture practices are assessed as part of ingredient category strategies, that inform long-term sourcing strategy for key ingredients. Our sustainable agriculture program, Kellogg's Origins™, puts an emphasis on connecting growers with other agricultural experts to help improve soil health and nutrient efficiency and promote practices that improve farmers' resilience to extreme weather events linked to climate change. Costs were estimated based on historic pricing and volumes. Kellogg is pursuing low- and zero-cost opportunities to ensure continuity of supply with our suppliers and find viable logistics opportunities as part of ongoing supplier partnerships.

Cost of response
0

Explanation of cost of response
Costs were estimated based on historic pricing and volumes. Kellogg is pursuing low- and zero-cost opportunities to ensure continuity of supply with our suppliers and find viable logistics opportunities as part of ongoing supplier partnerships.

Country/Area & River basin

Canada	Other, please specify (Multiple Canada)

Stage of value chain
Supply chain

Type of risk & Primary risk driver

Acute physical	Drought

Primary potential impact
Supply chain disruption

Company-specific description
In 2021, unusual drought in some grain growing regions in Canada negatively impacted the crop productivity and quality. This resulted in supply challenges and price increases.

Timeframe
Current up to one year

Magnitude of potential impact
Medium

Likelihood
Very likely

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
0

Potential financial impact figure - maximum (currency)
700000

Explanation of financial impact
Financial impact is calculated based on market prices of commodities impacted within the reporting year. The estimated cost impact of this weather event was estimated within the remote range, though there was no disruption to ingredient supply.

Primary response to risk

Supplier engagement	Promote the adoption of soil conservation practices among suppliers

Description of response
This example was flagged by Procurement and shared with the Global Sustainability team. In the short term, Kellogg partnered with suppliers to address 2020 volume requirements despite drought impacts. In addition, by working with suppliers and farmers to measure continuous improvement via the Kellogg Grower Survey and secure future supply, we can mitigate the operational risk and find opportunities to support best management practices on the field. Geographic climate risk, agribusiness and sustainable agriculture practices are assessed as part of ingredient category strategies, that inform long-term sourcing strategy for key ingredients. Costs were estimated based on historic pricing and volumes. Kellogg is pursuing low- and zero-cost opportunities to ensure continuity of supply with our suppliers and find viable logistics

opportunities as part of ongoing supplier partnerships. Our sustainable agriculture program, Kellogg's Origins™, puts an emphasis on connecting growers with other agricultural experts to help improve soil health and nutrient efficiency and promote practices that improve farmers' resilience to extreme weather events linked to climate change.

Cost of response

0

Explanation of cost of response

Costs were estimated based on historic pricing and volumes. Kellogg is pursuing low- and zero-cost opportunities to ensure continuity of supply with our suppliers and find viable logistics opportunities as part of ongoing supplier partnerships.

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity
Resilience

Primary water-related opportunity
Increased supply chain resilience

Company-specific description & strategy to realize opportunity
Kellogg global water costs are approximately $18MM USD annually. Kellogg has a company-wide goal to reduce global water use 15% (per tonne of food produced) and to implement water reuse projects in 25% of our plants by 2020 from a 2015 baseline. This goal encourages all facilities to reduce water usage which will improve water efficiency and deliver cost savings to the business. This is our second-generation goal, set after achieving a 7% reduction in water use (per tonne of food produced) and an absolute water use reduction of 10% since 2005. We also have a goal to reduce water use by 30% in high water risk sites from a 2015 baseline by 2030. These reductions represent cost savings for the company. The following strategies are currently being implemented to meet these commitments and deliver cost savings to the business:
-Site specific water efficiency targets for every global manufacturing site
-Targeting strategic sites for water reuse projects based on risks and opportunities (including cost)
-Lower return threshold for sustainability capital projects Kellogg has worked with suppliers to better establish and foster best management practices in the field to optimize water use and other environmental risks. This action can help reduce pricing volatility for these commodities.

Estimated timeframe for realization
1 to 3 years

Magnitude of potential financial impact
Low

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
2000000

Potential financial impact figure – maximum (currency)
18000000

Explanation of financial impact
Minimum figure calculated based on achieving 15% reduction goal. Maximum figure calculated based on Kellogg direct water usage, but may be larger across the value chain.

Type of opportunity
Efficiency

Primary water-related opportunity
Improved water efficiency in operations

Company-specific description & strategy to realize opportunity
Kellogg global water costs are approximately $18MM USD annually. Kellogg has a company-wide goal to reduce global water use 15% (per tonne of food produced) and to implement water reuse projects in 25% of our plants by 2020 from a 2015 baseline. This goal encourages all facilities to reduce water usage which will improve water efficiency and deliver cost savings to the business. This is our second-generation goal, set after achieving a 7% reduction in water use (per tonne of food produced) and an absolute water use reduction of 10% since 2005. We also have a goal to reduce water use by 30% in high water risk sites from a 2015 baseline by 2030. These reductions represent cost savings for the company. The following strategies are currently being implemented to meet these commitments and deliver cost savings to the business:
-Site specific water efficiency targets for every global manufacturing site
-Targeting strategic sites for water reuse projects based on risks and opportunities (including cost)
-Lower return threshold for sustainability capital projects Kellogg has worked with suppliers to better establish and foster best management practices in the field to optimize water use and other environmental risks. This action can help reduce pricing volatility for these commodities.

In 2018, our Grand Rapids facility supplemented the well water consumption of their process equipment cooling with an outdoors evaporative spray system. This project reduced the site's absolute water consumption in more than 60%.

Estimated timeframe for realization
1 to 3 years

Magnitude of potential financial impact
Low

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
0

Potential financial impact figure – maximum (currency)
7500

Explanation of financial impact
This project did not have a substantive financial impact, but it had a high strategic impact on our business. Due to the large impact it has on plant, region, and global water reduction goals. Because of the large continuous flow of well water currently used in Grand Rapids, the reduction is significant. The proposed system results in a reduction of 100 MM gallons per year. This represents approximately 60% of plant use, 3% of our North America Region annual water use and close to 2% of annual global water use. The financial assessment of this project indicates no savings and increased operating costs of close to $7500 per year for the plant. This project brings value to Kellogg through the significant impact on natural resource reduction goals, positioning the company for better sustainability going forward as water supplies become less resilient, and showing Kellogg's commitment to conservation of natural resources.

W5. Facility-level water accounting

W5.1

(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.

Facility reference number
Facility 1

Facility name (optional)
Anseong

Country/Area & River basin

Republic of Korea	Han-Gang (Han River)

Latitude
37.020672

Longitude
127.256224

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
41

Comparison of total withdrawals with previous reporting year
Higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
0

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
41

Total water discharges at this facility (megaliters/year)
20

Comparison of total discharges with previous reporting year
Higher

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
20

Total water consumption at this facility (megaliters/year)
20

Comparison of total consumption with previous reporting year
Lower

Please explain
Changes in production accounted for the changes in water use. All water comes from municipal withdrawal. All water discharges to municipal treatment.

Facility reference number
Facility 2

Facility name (optional)
Battle Creek

Country/Area & River basin

United States of America	St. Lawrence

Latitude
42.317049

Longitude
-85.149053

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
876

Comparison of total withdrawals with previous reporting year
Higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
0

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
876

Total water discharges at this facility (megaliters/year)
586

Comparison of total discharges with previous reporting year
Higher

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
586

Total water consumption at this facility (megaliters/year)
289

Comparison of total consumption with previous reporting year
Higher

Please explain
Changes in production accounted for the changes in water use. All water comes from municipal withdrawal. All water discharges to municipal treatment.

Facility reference number
Facility 3

Facility name (optional)
Blue Anchor

Country/Area & River basin

United States of America	Delaware River

Latitude
39.762398

Longitude
-75.085107

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
40

Comparison of total withdrawals with previous reporting year
Higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
40

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
0

Total water discharges at this facility (megaliters/year)
37

Comparison of total discharges with previous reporting year
Higher

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
37

Total water consumption at this facility (megaliters/year)
3

Comparison of total consumption with previous reporting year
Lower

Please explain
Changes in production accounted for the changes in water use. All water comes from municipal withdrawal. All water discharges to municipal treatment.

Facility reference number
Facility 4

Facility name (optional)
Botany

Country/Area & River basin

Australia	Murray - Darling

Latitude
-33.948199

Longitude
151.207147

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
166

Comparison of total withdrawals with previous reporting year
Higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
0

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
166

Total water discharges at this facility (megaliters/year)
87

Comparison of total discharges with previous reporting year
Lower

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
87

Total water consumption at this facility (megaliters/year)
79

Comparison of total consumption with previous reporting year
Higher

Please explain
Changes in production accounted for the changes in water use. All water comes from municipal withdrawal. All water discharges to municipal treatment.

Facility reference number
Facility 5

Facility name (optional)
Cairo Mass Foods Man.

Country/Area & River basin

Egypt	Nile

Latitude
29.999349

Longitude
31.10143

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
9

Comparison of total withdrawals with previous reporting year
Higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
0

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources
9

Total water discharges at this facility (megaliters/year)
9

Comparison of total discharges with previous reporting year
Higher

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
9

Total water consumption at this facility (megaliters/year)
0

Comparison of total consumption with previous reporting year
Higher

Please explain
Changes in production accounted for the changes in water use. All water comes from municipal withdrawal.

Facility reference number
Facility 6

Facility name (optional)
Cairo Mass Foods Int.

Country/Area & River basin

Egypt	Nile

Latitude
29.999349

Longitude
31.10143

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
23

Comparison of total withdrawals with previous reporting year
Lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
0

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
23

Total water discharges at this facility (megaliters/year)
22

Comparison of total discharges with previous reporting year
Lower

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
22

Total water consumption at this facility (megaliters/year)
1

Comparison of total consumption with previous reporting year
Higher

Please explain
Changes in production accounted for the changes in water use. All water comes from municipal withdrawal.

Facility reference number
Facility 7

Facility name (optional)
Grand Rapids

Country/Area & River basin

United States of America	St. Lawrence

Latitude
42.912838

Longitude
85.659044

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
296

Comparison of total withdrawals with previous reporting year
Higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
237

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
59

Total water discharges at this facility (megaliters/year)
59

Comparison of total discharges with previous reporting year
Higher

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
59

Total water consumption at this facility (megaliters/year)
237

Comparison of total consumption with previous reporting year
Higher

Please explain
A focus on water efficiency accounted for the changes in water use.

Facility reference number
Facility 8

Facility name (optional)
Enstek

Country/Area & River basin

Malaysia	Other, please specify ((Langat))

Latitude
2.75108

Longitude
101.76127

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
103

Comparison of total withdrawals with previous reporting year
Lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
0

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
103

Total water discharges at this facility (megaliters/year)
37

Comparison of total discharges with previous reporting year
Higher

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
37

Total water consumption at this facility (megaliters/year)
67

Comparison of total consumption with previous reporting year
Lower

Please explain
Changes in production accounted for the changes in water use. All water comes from municipal withdrawal. All water discharges to municipal treatment.

Facility reference number
Facility 9

Facility name (optional)
Mechelen

Country/Area & River basin

Belgium	Other, please specify (Escaut (Schelde))

Latitude
51.015479

Longitude
4.456972

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
391

Comparison of total withdrawals with previous reporting year
Lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
0

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
391

Total water discharges at this facility (megaliters/year)
251

Comparison of total discharges with previous reporting year
Lower

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
251

Total water consumption at this facility (megaliters/year)
141

Comparison of total consumption with previous reporting year
About the same

Please explain
Changes in production accounted for the changes in water use. All water comes from municipal withdrawal. All water discharges to municipal treatment.

Facility reference number
Facility 10

Facility name (optional)
Memphis

Country/Area & River basin

United States of America	Mississippi River

Latitude
36.538751

Longitude
-82.519727

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
1066

Comparison of total withdrawals with previous reporting year
Higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
0

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
1066

Total water discharges at this facility (megaliters/year)
1066

Comparison of total discharges with previous reporting year
Lower

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
1066

Total water consumption at this facility (megaliters/year)
0

Comparison of total consumption with previous reporting year
About the same

Please explain
Changes in production accounted for the changes in water use. All water comes from municipal withdrawal. All water discharges to municipal treatment.

Facility reference number
Facility 11

Facility name (optional)
Mexicali

Country/Area & River basin

Mexico	Colorado River (Pacific Ocean)

Latitude
32.59046

Longitude
-115.43113

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
74

Comparison of total withdrawals with previous reporting year
Lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
74

Total water discharges at this facility (megaliters/year)
74

Comparison of total discharges with previous reporting year
Higher

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
47

Discharges to third party destinations
27

Total water consumption at this facility (megaliters/year)
0

Comparison of total consumption with previous reporting year
Lower

Please explain
Changes in production accounted for the changes in water use. All water comes from municipal withdrawal.

Facility reference number
Facility 12

Facility name (optional)
Omaha

Country/Area & River basin

United States of America	Trinity River (Texas)

Latitude
41.21797

Longitude
-96.06703

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
1762

Comparison of total withdrawals with previous reporting year
Higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
0

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
1762

Total water discharges at this facility (megaliters/year)
1762

Comparison of total discharges with previous reporting year
Higher

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
1762

Total water consumption at this facility (megaliters/year)
0

Comparison of total consumption with previous reporting year
About the same

Please explain
Changes in production accounted for the changes in water use. All water comes from municipal withdrawal. All water discharges to municipal treatment.

Facility reference number
Facility 13

Facility name (optional)
Queretaro

Country/Area & River basin

Mexico	Santiago

Latitude
20.5951

Longitude
-100.41547

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
311

Comparison of total withdrawals with previous reporting year
Higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
311

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
0

Total water discharges at this facility (megaliters/year)
238

Comparison of total discharges with previous reporting year
Higher

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
119

Discharges to third party destinations
119

Total water consumption at this facility (megaliters/year)
73

Comparison of total consumption with previous reporting year
Lower

Please explain
Changes in production accounted for the changes in water use. All water comes from renewable groundwater.

Facility reference number
Facility 14

Facility name (optional)
Rossville

Country/Area & River basin

United States of America	Mississippi River

Latitude
36.290535

Longitude
-82.714586

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
274

Comparison of total withdrawals with previous reporting year
Lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
274

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
0

Total water discharges at this facility (megaliters/year)
41

Comparison of total discharges with previous reporting year
Lower

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
41

Total water consumption at this facility (megaliters/year)
234

Comparison of total consumption with previous reporting year
Higher

Please explain
Changes in production accounted for the changes in water use. All water comes from renewable groundwater. All water discharges to municipal treatment.

Facility reference number
Facility 15

Facility name (optional)
San Jose

Country/Area & River basin

United States of America	Other, please specify (Sacramento)

Latitude
37.35602

Longitude
-121.87206

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
80

Comparison of total withdrawals with previous reporting year
Lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
0

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
80

Total water discharges at this facility (megaliters/year)
33

Comparison of total discharges with previous reporting year
Higher

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
33

Total water consumption at this facility (megaliters/year)
46

Comparison of total consumption with previous reporting year
Lower

Please explain
Changes in production accounted for the changes in water use. All water comes from renewable groundwater. All water discharges to municipal treatment.

Facility reference number
Facility 16

Facility name (optional)
Sri City

Country/Area & River basin

India	Other, please specify (Pennar (Cauvery To Krishna))

Latitude
25.433353

Longitude
74.602661

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
31

Comparison of total withdrawals with previous reporting year
Higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
0

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
31

Total water discharges at this facility (megaliters/year)
25

Comparison of total discharges with previous reporting year
Higher

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
10

Discharges to third party destinations
15

Total water consumption at this facility (megaliters/year)
6

Comparison of total consumption with previous reporting year
Lower

Please explain
Changes in production accounted for the changes in water use. All water comes from municipal withdrawal.

Facility reference number
Facility 17

Facility name (optional)
Taloja

Country/Area & River basin

India	Other, please specify (Pulicat Lake)

Latitude
19.073012

Longitude
73.130534

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
51

Comparison of total withdrawals with previous reporting year
Higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
0

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
51

Total water discharges at this facility (megaliters/year)
51

Comparison of total discharges with previous reporting year
Higher

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
34

Discharges to third party destinations
17

Total water consumption at this facility (megaliters/year)
0

Comparison of total consumption with previous reporting year
Lower

Please explain
Changes in production and a focus on water efficiency accounted for the changes in water use. All water comes from municipal withdrawal.

Facility reference number
Facility 18

Facility name (optional)
Toluca

Country/Area & River basin

Mexico	Santiago

Latitude
19.29716

Longitude
-99.61795

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
122

Comparison of total withdrawals with previous reporting year
Lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
122

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources
0

Total water discharges at this facility (megaliters/year)
99

Comparison of total discharges with previous reporting year
Higher

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
61

Discharges to third party destinations
38

Total water consumption at this facility (megaliters/year)
23

Comparison of total consumption with previous reporting year
Lower

Please explain
Changes in production accounted for the changes in water use. All water comes from renewable groundwater. All water discharges to groundwater.

Facility reference number
Facility 19

Facility name (optional)
Wyoming

Country/Area & River basin

United States of America	St. Lawrence

Latitude
42.903597

Longitude
-85.656171

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
26

Comparison of total withdrawals with previous reporting year
Lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
0

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
26

Total water discharges at this facility (megaliters/year)
1

Comparison of total discharges with previous reporting year
Lower

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
1

Total water consumption at this facility (megaliters/year)
25

Comparison of total consumption with previous reporting year
Lower

Please explain
Changes in production accounted for the changes in water use. All water comes from municipal withdrawal.

Facility reference number
Facility 20

Facility name (optional)
Zanesville

Country/Area & River basin

United States of America	Mississippi River

Latitude
40.009677

Longitude
-82.023764

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
277

Comparison of total withdrawals with previous reporting year
Lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
0

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
277

Total water discharges at this facility (megaliters/year)
232

Comparison of total discharges with previous reporting year
Lower

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
232

Total water consumption at this facility (megaliters/year)
46

Comparison of total consumption with previous reporting year
Higher

Please explain

Changes in production and a focus on water efficiency accounted for the changes in water use. All water comes from municipal withdrawal. All water discharges to municipal treatment.

W5.1a

(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been third party verified?

Water withdrawals – total volumes

% verified
76-100

Verification standard used
International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information (effective for assurance reports dated on or after Dec. 15, 2015), issued by the International Auditing and Assurance Standards Board.

Please explain
<Not Applicable>

Water withdrawals – volume by source

% verified
Not verified

Verification standard used
<Not Applicable>

Please explain
This water aspect is currently not verified.

Water withdrawals – quality by standard water quality parameters

% verified
Not verified

Verification standard used
<Not Applicable>

Please explain
This water aspect is currently not verified.

Water discharges – total volumes

% verified
Not verified

Verification standard used
<Not Applicable>

Please explain
This water aspect is currently not verified.

Water discharges – volume by destination

% verified
Not verified

Verification standard used
<Not Applicable>

Please explain
This water aspect is currently not verified.

Water discharges – volume by final treatment level

% verified
Not verified

Verification standard used
<Not Applicable>

Please explain
This water aspect is currently not verified.

Water discharges – quality by standard water quality parameters

% verified
Not verified

Verification standard used
<Not Applicable>

Please explain
This water aspect is currently not verified.

Water consumption – total volume

% verified
Not verified

Verification standard used
<Not Applicable>

Please explain
This water aspect is currently not verified.

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

Yes, we have a documented water policy that is publicly available

W6.1a

(W6.1a) Select the options that best describe the scope and content of your water policy.

	Scope	Content	Please explain
Row 1	Company-wide	Description of business dependency on water Description of business impact on water Description of water-related performance standards for direct operations Company water targets and goals Commitment to align with public policy initiatives, such as the SDGs Commitments beyond regulatory compliance Commitment to stakeholder awareness and education Commitment to water stewardship and/or collective action Commitment to safely managed Water, Sanitation and Hygiene (WASH) in local communities Acknowledgement of the human right to water and sanitation	Kellogg chose a company-wide approach to our water policy to ensure we are constantly mitigating our community water impacts and our enterprise-wide water-related risks. We chose a company- wide scope instead of other options, such as at high-risk facilities, because we recognize that water used in all the aspects of our business. This includes communities where we source ingredients and make our foods. In addition, we have risk-based commitments on water to ensure that the facilities and communities that have the most potential impact are of highest focus for the company and build into the company's accountabilities. While all Kellogg manufacturing facilities have water-efficiency goals and are implementing water-saving initiatives, we pay extra close attention to our water use in the areas of high stress. We respect the human right to water as defined by the United Nations Committee on Economic, Social and Cultural Rights and General Assembly, an aim to operate in support of it. We understand the need to align initiatives, partner and create awareness with multi-sector stakeholders to achieve real water stewardship. As an example, Kellogg, the United Stated Department of Agriculture (USDA) and The Nature Conservancy (TNC) teamed up in 2015 on a five-year program to implement conservation practices on 63,000 acres of farmland in the Saginaw Bay Watershed in Michigan upon its conclusion in 2020, with an additional approximately 650 acres engaged in conservation practice adoption in 2021 through a grant from the Kellogg Company. See additional information at: http://crreport.kelloggcompany.com & http://crreport.kelloggcompany.com/water-reduction

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual	Please explain
Board-level committee	The Social Responsibility & Public Policy Committee of our Board of Directors oversees the company's sustainability efforts, including water. All four committee members are independent. The Social Responsibility and Public Policy Committee, among other things, assists the Board in discharging its oversight responsibilities with respect to certain social and public policy issues. The Committee reviews the Company's policies, programs and practices concerning public policy, government relations, philanthropic activities/charitable contributions, climate, sustainability and related topics. The Committee is particularly focused on the intersection of philanthropy, public policy, and sustainability and the Company's goals.

W6.2b

(W6.2b) Provide further details on the board's oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - all meetings	Monitoring implementation and performance Reviewing and guiding risk management policies Reviewing and guiding corporate responsibility strategy	The Senior Vice President of Corporate Affairs and the Chief Sustainability Officer report at least three times per year to the Social Responsibility & Public Policy Committee of our Board of Directors. This committee oversees the company's sustainability efforts and water policy. All four committee members are independent. The Social Responsibility and Public Policy Committee, among other things, assists the Board in discharging its oversight responsibilities with respect to certain social and public policy issues. The Committee reviews the Company's policies, programs and practices concerning public policy, government relations, philanthropic activities/charitable contributions, water, sustainability and related topics. The Committee reviews the company's climate-related commitments, programs, metrics and outcomes in service of addressing the company's risks and opportunities.

W6.2d

(W6.2d) Does your organization have at least one board member with competence on water-related issues?

	Board member(s) have competence on water-related issues	Criteria used to assess competence of board member(s) on water-related issues	Primary reason for no board-level competence on water-related issues	Explain why your organization does not have at least one board member with competence on water-related issues and any plans to address board-level competence in the future
Row 1	Yes	Yes, we do evaluate Board Member fit for the Social Responsibility and Public Policy (SRPP) Committee. We consider experience, background, interest and accreditation.	<Not Applicable>	<Not Applicable>

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)
Chief Sustainability Officer (CSO)

Responsibility
Assessing water-related risks and opportunities
Managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues
Half-yearly

Please explain
The Senior VP of Global Corporate Affairs (SVPCA) and the Chief Sustainability Officer (CSO) assess and manage water-related risks and opportunities and deliver against the company's water commitments. The CSO reports to the SVPCA, who reports to the CEO. The SVPCA and the CSO report at least 3 times per year to the Social Responsibility & Public Policy Committee of our Board of Directors, which oversees the company's sustainability efforts and water policy, programs and practices concerning water, sustainability and related topics. It reviews the company's commitments, programs, metrics and outcomes to address risks and opportunities. The procurement, sustainability, EHS, and risk teams regularly assess external resources, benchmarking from suppliers and industry groups, and internal feedback on water issues. These risks are shared with the Sustainability Governance team and the VP of Treasury who leads our Enterprise Risk Management process.

Name of the position(s) and/or committee(s)
Other, please specify (SVP, Corporate Affairs and SVP, Global Supply Chain)

Responsibility
Assessing water-related risks and opportunities
Managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues
Half-yearly

Please explain
The Senior VP of Global Corporate Affairs (SVPCA) and the Chief Sustainability Officer (CSO) assess and manage water-related risks and opportunities and deliver against the company's water commitments. The CSO reports to the SVPCA, who reports to the CEO. The SVPCA and the CSO report at least 3 times per year to the Social Responsibility & Public Policy Committee of our Board of Directors, which oversees the company's sustainability efforts and water policy, programs and practices concerning water, sustainability and related topics. It reviews the company's commitments, programs, metrics and outcomes to address risks and opportunities. The procurement, sustainability, EHS, and risk teams regularly assess external resources, benchmarking from suppliers and industry groups, and internal feedback on water issues. These risks are shared with the Sustainability Governance team and the VP of Treasury who leads our Enterprise Risk Management process.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	Yes	

W6.4a

(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive	Performance indicator	Please explain
Monetary reward	Chief Executive Officer (CEO) Chief Purchasing Officer (CPO) Chief Sustainability Officer (CSO)	Improvements in efficiency - direct operations Implementation of employee awareness campaign or training program Supply chain engagement	Among other performance incentives, our CEO is measured on operating profit, based in part on cost savings from energy reductions and continuity of supply. Our Chief Procurement Officer is incentivized based on Supplier Relationship Management KPIs, including compliance to sustainability requirements. Depending on the function, role, or level of responsibility related to the execution and achievement of these goals, monetary impact percentages range.
Non-monetary reward	Other, please specify (Procurement Buyers & Facility Managers)	Improvements in efficiency - direct operations Supply chain engagement	As part of their Annual Incentive Plan, Procurement Buyers are incentivized based on their priorities which include engagement on responsible sourcing and environmental criteria for their suppliers. As part of their Annual Incentive Plan, facility and business unit managers are incentivized based on their priorities which include their ability to hit sustainability targets including water reduction targets.

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

Yes, direct engagement with policy makers

Yes, trade associations

W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

Kellogg carefully researches and reviews the mission and goals of the organizations we support to ensure they are aligned with our strategy. This work is overseen by Senior Vice President of Global Corporate Affairs, who leads global communications, sustainability, philanthropy and government relations. Engagement on direct and indirect activities are further coordinated by our Chief Sustainability Officer, who interacts regularly with company leaders on our sustainability goals, including our Government Relations teams, and the work in place to achieve these business objectives. We only engage with those organizations to which we can be directly involved in the development and implementation of their program and to remain involved with as participating members/contributors. Consistency is ensured through our reporting structure, as all policy and sustainability-related activities are accountable to our SVP of Global Corporate Affairs and shared reporting to the Social Responsibility and Public Policy Subcommittee of the Board of Directors. If inconsistency is discovered, the SVP will take action to bring the teams together and align strategies across regions or business units.

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

Yes (you may attach the report - this is optional)

Kellogg Company 2021 Annual Report.pdf

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	5-10	Water issue: Water availability, water cost What decision was taken: Incorporate water risk into ingredient category management strategy about sourcing location, suppliers, and risk hedging. Objective of the decision: Reduce cost volatility, ensure security of supply How options were assessed: Water is at risk of shortage, price volatility, regulation, and quality impacts due to climate change which is assessed as part of our overall enterprise risk management approach. We have short and long-term initiatives to mitigate and adapt to water related pressures. We aim to reduce the risk of disruptions from unexpected constraints in availability or impacts on raw material pricing. At a category level, procurement, sustainability, and risk teams work together to assess commodity and geographic water risks. Mitigation approaches are assessed in procurement processes including sourcing events and investments in agribusiness programs to improve sourcing options.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	5-10	Water issue: Water availability, water cost What decision was taken: Incorporate water reductions and reuse in capital plans and engineering strategies Objective: Ensure security of supply; reduce dependency on local infrastructure How options were assessed: We are reducing water use in the communities where we source ingredients and make our foods. Our sites have water use goals and are implementing water-saving initiatives, we monitor water use in high water risk sites and regions. Our water risk assessment evaluates physical, regulatory, and business risk. 39% of our sites are rated as high water risk. We're acting in these sites to reduce water use and address risks. Risks are identified annually and evaluated in the short (<3 years), medium (3 - 6 years) and long terms (>6 years). We incorporate risks and opportunities in our Growth and Heart and Soul Strategy, identify risk, incorporate sustainability indicators into strategic priorities, and report regularly to leadership, the Board, and publicly. We incorporate water related issues into our business objectives and strategy. Our work is aligned with the United Nations Sustainable Development Goals, including the call for clean water and sanitation. We support global action, encouraging action within our business, our suppliers, policy makers and non-state actors. Our leaders participate in public-private workshops and meet with government leaders on these topics to inform business objectives and strategies.
Financial planning	Yes, water-related issues are integrated	5-10	Water issue: Water availability, water cost What decision was taken: Incorporate water reductions and reuse in our capital plans and engineering strategies Objective of the decision: Ensure security of supply; reduce dependency on local infrastructure How options were assessed: Appropriate funding to support activities that reduce our water risk in our plants and in our supply chain is considered in our financial planning. Trends of water scarcity and water regulation that may affect our access and price of water are also considered in our planning. As a grain-based food company, the success of Kellogg Company is dependent on having timely access to high quality, low cost ingredients, water and energy for manufacturing globally. Risks are identified annually through annual reporting and evaluated in the short (<3 years), medium (3 - 6 years) and long terms (>6 years). The Company has incorporated the risks and opportunities in the Global Growth Strategy and global Better Days Strategy by continuing to identify risk, incorporate sustainability indicators (including water) into strategic priorities, and reports regularly to leadership, the Board, and publicly. While these risks are not currently impacting business growth, they must be monitored, evaluated, and mitigated.

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

0

Anticipated forward trend for CAPEX (+/- % change)

0

Water-related OPEX (+/- % change)

0

Anticipated forward trend for OPEX (+/- % change)

0

Please explain

CAPEX / OPEX has not changed because water-related capital projects are not specifically categorized within Kellogg CAPEX budgets as water benefits are included within other projects, e.g., productivity projects.

W7.3

(W7.3) Does your organization use scenario analysis to inform its business strategy?

	Use of scenario analysis	Comment
Row 1	Yes	In preparation for our Global Sustainability Commitments and our Science-based Targets, we completed scenario analysis to understand risks and opportunities within Kellogg's operations and our supply chain. We used the outcomes of this climate related assessment to inform emerging water-related risks - like increased frequency of extreme weather events and greater seasonal variability. The 3% Solution identifies how US-based corporations can set GHG reduction targets that align with IPCC's 2°C pathway. Developed by WWF with CDP, McKinsey, and Point380, these savings are achieved by boosting energy-efficiency measures and transitioning to low-carbon energy sources. Assumptions included an annual 3% emissions reduction in the US corporate sector on average and that Kellogg would have steady corporate growth. Other assumptions were related to reliance on current data models, predictions on energy mix, and utilization of sector methodologies.

W7.3a

(W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization's business strategy.

	Type of scenario analysis used	Parameters, assumptions, analytical choices	Description of possible water-related outcomes	Influence on business strategy
Row 1	Water-related Climate-related	We continue to reevaluate how we drive the most significant impact in the watersheds where we make our foods. We benchmarked with other companies, non-governmental organizations and other stakeholders to understand how they are assessing risk and prioritizing projects to mitigate water risks. As part of this evaluation, Kellogg developed a global water risk assessment in 2014 and updated it in 2018, engaging internal and external experts to evaluate physical water stress, regulation, usage, and business risk. In our water risk assessment, sites are prioritized based upon: Internal Rating – an average score from survey questions covering current and future risks for Physical; Regulatory; and Social/Reputational. And External Rating – an average score calculated from core WRI Aqueduct Indicators. Leading external indicators were utilized to provide an "external" perspective on location-specific risk conditions, such as: 1) WRI Overall Water Risk - identifies areas with higher exposure to water-related risks and is an aggregated measure of all selected indicators from the Physical Quantity, Quality and Regulatory & Reputational Risk categories. http://www.wri.org/publication/aqueduct-global-maps-21-indicators.; 2) WRI Baseline Water Stress – Baseline water stress measures the ratio of total annual water withdrawals to total available annual renewable supply, accounting for upstream consumptive use. Higher values indicate more competition among users. http://www.wri.org/publication/aqueduct-global-maps-21- indicators and 3) WRI Baseline Water Stress - 2030 Projected – projection of baseline water stress taking into account projected water stress and climate change impacts for 2030 using a "Business as Usual" scenario based upon the International Panel on Climate Change (IPCC) Scenario A1B.	Increased frequency of drought, flooding and natural disasters could have impacts on the availability of supply of water and key ingredients. These risks are present now and will likely continue for 20 years.	The results of our water risk assessment are shared and inform our Senior Leadership, Enterprise Risk Management approach, Mergers and Acquisitions, CapEx planning, our Stakeholder Engagement activities, and cascaded to our regional and site-level Environment, Health and Safety (EHS) and Engineering teams. The information from this assessment allows us to evaluate common or shared issues across multiple facilities and opportunities to provide global/regional guidance and support. We also evaluate sites that may not have high external and/or internal risk scores, but still face specific challenges (individual risk conditions) with the potential to impact the business. This information is used to develop Facility Water Management Action Plans including internal and external activities. Examples of risk mitigation activities include: • Training and awareness • Water reduction, reuse, and recycle opportunities • Minimization of non-essential water use for landscaping and irrigation – no freshwater • Development of water-related Business Continuity Plans • Evaluation and monitoring of watershed conditions • Stakeholder mapping and engagement plans • Water intensity and risk for key sourcing materials • Proactive communication of water plans and performance (internal and external). Our water strategies are primarily focused on actions towards achieving our goal of reducing 30% absolute water use in high water risk facilities by 2030 from a 2015 baseline.

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

Yes

Please explain

Yes, we have an implicit internal price on water through our CapEx approval process. Projects relating to sustainability have a lower IRR threshold (20% vs 35%) compared to productivity or other projects. This creates an incentive mechanism for our engineering and supply chain team members to pursue sustainability-related opportunities.

W7.5

(W7.5) Do you classify any of your current products and/or services as low water impact?

	Products and/or services classified as low water impact	Definition used to classify low water impact	Primary reason for not classifying any of your current products and/or services as low water impact	Please explain
Row 1	No, and we do not plan to address this within the next two years	<Not Applicable>	Lack of internal resources	Classifying our products as low water impact is not a current priority and our resources are focused on our company-wide targets and goals on water reduction.

W8. Targets

W8.1

(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Company-wide targets and goals Business level specific targets and/or goals Site/facility specific targets and/or goals	Targets are monitored at the corporate level Goals are monitored at the corporate level	Setting and monitoring targets and goals is managed through cross-functional collaboration within the company, engagement with outside stakeholders, business materiality and through a risk assessment to mitigate water-related risks. Targets are monitored at the site and corporate level. For our 2030 company-wide targets we completed a water risk assessment of all our production facilities to identify high water risk locations. To prioritize water efficiency in those sites we set a 30% absolute water reduction, from a 2015 baseline, by 2030. In parallel, each business unit and site sets annual targets of water reduction considering site specific water reduction projects, production forecasts, and water risk rankings. Business unit goals are the result of the aggregated site specific targets. Sites that are not categorized as high risk can set targets lower than 30% reduction, and high risk sites can set targets of 30% or higher in accordance with their reduction opportunities. At the regional level, the portfolio of water reduction projects identified for consideration at each plant for the future, 1-5 years, is used to develop glidepaths against the company-wide goals and adjust annually based on annual performance. Each plant reports its water use monthly through our INSIGHT online system. The performance is tracked at the site, region and global level periodically and used for future target setting and equipment/process investments.

W8.1a

(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.

Target reference number
Target 1

Category of target
Water withdrawals

Level
Other, please specify (High water risk sites)

Primary motivation
Reduced environmental impact

Description of target
By 2030, reduce water use by 30% in our high-water risk facilities.

Quantitative metric
Absolute reduction in total water withdrawals

Baseline year
2015

Start year
2020

Target year
2030

% of target achieved
79

Please explain
By the end of 2021 we have reduced water use in our high-water risk sites by 24% (absolute water use) from 2015 performance.

W8.1b

(W8.1b) Provide details of your water goal(s) that are monitored at the corporate level and the progress made.

Goal
Engagement with suppliers to help them improve water stewardship

Level
Company-wide

Motivation
Reduced environmental impact

Description of goal
We engage with suppliers and farmers to improve water stewardship, to maintaining security of ingredient supply, and to promote healthy water ecosystems where we source ingredients. We aim to responsibly sourcing our 10 priority ingredients and to build resilient, responsible supply chains for an expanded list of ingredients. These goals were chosen through a risk and materiality assessments, and consultation with NGOs. We work with suppliers and farmers to collect information with industry tools such as the Fieldprint® Platform, Cool Farm Tool, and SAI Farm Sustainability Assessment, and our Kellogg Grower Survey, to demonstrate best agricultural practices and identify opportunities for improvement. We require in our Global Supplier Code of Conduct that suppliers optimize water use. We are committed to supporting 1 million farmers and workers, especially women and smallholders, by the end of 2030, through programs on climate, social and financial resiliency. With our Origins program, we have invested in 40 sustainable agriculture projects. With suppliers, NGOs, and research institutions, we assess improvement opportunities; provide training, technical assistance and cost-share for farmers to adopt improved practices; and to share best practices. Our Origins programs focus on climate, biodiversity, and farmer livelihoods. Agricultural practices that regenerate soil health, promote crop diversity, support species and habitat, are key tools in these programs.

Baseline year
2015

Start year
2015

End year
2030

Progress
We are committed to responsibly source our priority ingredients and support agriculture. Data collection helps us understand risk and opportunities in our supply chain and build programs with farmers. In 2021, we engaged 130 ingredient suppliers in our responsible sourcing programs, surveying over 575,500 hectares of cropland with the Kellogg Grower Survey with additional cropland assessed with industry-equivalent tools. We updated and renewed our ingredient priorities in 2021, aligned to our 2030 goals outlined in our Better Days global purpose platform. From 2015 to 2020, we have reached over 440,000 farmers globally through 40+ Origins programs in our ingredient sourcing regions. In 2021, these projects reported multiple improvements in water use efficiency (for irrigated crops), and reduced runoff into local waterways. Measures of success are tailored to local conditions and include water conservation through improved irrigation techniques or reduced impacts on local water quality. In Arkansas we have partnered with The Nature Conservancy from 2019 through 2021 to help farmers conserve groundwater resources through improved irrigation that has reduced water irrigation by 8 billion gallons. We provide additional examples of our progress in the following sites:

https://www.kelloggs.com/en_US/sustainability/working-with-farmers.html
http://crreport.kelloggcompany.com/download/Kellogg+2019+Responsible+Sourcing+Milestones.pdf
http://crreport.kelloggcompany.com

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?
No, we do not currently verify any other water information reported in our CDP disclosure

W10. Sign off

W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

In 2019 we divested 6 facilities in North America. Our data has been adjusted to account for this divestiture. Also, in 2019 we closed two facilities, one in North America and one in Latin America. In 2019 our Egypt plants started reporting our AMEA region, previously they reported into our Europe organization. In 2020 we acquired a manufacturing site in Turkey. Our current data reflects this structural change.

W10.1

(W10.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	Chief Sustainability Officer	Chief Sustainability Officer (CSO)

W10.2

(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].

Yes

SW. Supply chain module

SW0.1

(SW0.1) What is your organization's annual revenue for the reporting period?

	Annual revenue
Row 1	14181000000

SW1.1

(SW1.1) Could any of your facilities reported in W5.1 have an impact on a requesting CDP supply chain member?

Yes, CDP supply chain members buy goods or services from facilities listed in W5.1

SW1.1a

(SW1.1a) Indicate which of the facilities referenced in W5.1 could impact a requesting CDP supply chain member.

Facility reference number
Facility 11

Facility name
Mexicali

Requesting member
Wal Mart de Mexico

Description of potential impact on member
Products produced at this facility are sold to Walmart, however we do not expect an impact on the operations or delivery of products due to this risk.

Comment

Facility reference number
Facility 13

Facility name
Queretaro

Requesting member
Wal Mart de Mexico

Description of potential impact on member
Products produced at this facility are sold to Walmart, however we do not expect an impact on the operations or delivery of products due to this risk.

Comment

Facility reference number
Facility 18

Facility name
Toluca

Requesting member
Wal Mart de Mexico

Description of potential impact on member
Products produced at this facility are sold to Walmart, however we do not expect an impact on the operations or delivery of products due to this risk.

Comment

SW1.2

(SW1.2) Are you able to provide geolocation data for your facilities?

	Are you able to provide geolocation data for your facilities?	Comment
Row 1	No, this is confidential data	

SW2.1

(SW2.1) Please propose any mutually beneficial water-related projects you could collaborate on with specific CDP supply chain members.

Requesting member
Wal Mart de Mexico

Category of project
Communications

Type of project
Joint case studies or marketing campaign

Motivation
We are always open to partnering with our customers to drive environmental and social impact at scale. We also want to bring this to life for shoppers but identifying claims and in-store activations that have them join on the journey for a happy and health future. Programs on sustainable agriculture can have significant environmental benefit while also connecting consumer to the foods they have every day.

Estimated timeframe for achieving project
Up to 1 year

Details of project
We are always open to partnering with our customers to drive environmental and social impact at scale. We also want to bring this to life for shoppers but identifying claims and in-store activations that have them join on the journey for a happy and health future. Programs on sustainable agriculture can have significant environmental benefit while also connecting consumer to the foods they have every day.

Projected outcome
Improved awareness and impact within our shared supply chain.

SW2.2

(SW2.2) Have any water projects been implemented due to CDP supply chain member engagement?

No

SW3.1

(SW3.1) Provide any available water intensity values for your organization's products or services.

Product name

Water intensity value

Numerator: Water aspect
Please select

Denominator

Comment

Submit your response

In which language are you submitting your response?
English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below
I have read and accept the applicable Terms