



Kellogg's[®]

CREATING

Better Days

2018/2019 Corporate Responsibility Report



Contents

CORPORATE RESPONSIBILITY REPORT 2018/2019

OVERVIEW

Message from the CEO	3
Message from the SVP, Global Corporate Affairs	4
Our ambitious next-generation <i>Kellogg's® Better Days</i> commitment	5
About Kellogg Company	6
About this report	6
Materiality across our value chain	7
Our business regions	9
Corporate responsibility governance	9
Progress toward our commitments	10

NOURISHING WITH OUR FOODS

Supporting wellbeing	13
Ensuring food quality and safety	19
Marketing responsibly	20

FEEDING PEOPLE IN NEED

<i>Breakfasts for Better Days™</i>	23
Honoring World Food Day	24
Addressing food security	26
Donating charitably	31

NURTURING OUR PLANET

Supporting farmers	33
Responsible sourcing our priority ingredients	37
Advancing sustainable agriculture	39
Conserving natural resources	41

LIVING OUR FOUNDER'S VALUES

Operating ethically	49
Protecting human rights	51
Embracing diversity and inclusion	53
Making a difference in our hometown	57
Engaging stakeholders	58

Message FROM THE CEO



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

Global leaders who evaluate the commitments companies make as corporate citizens look to their environmental, social and governance (ESG) best practices. In 2018, we are proud that Kellogg was recognized, once again, with two of the highest ESG honors: the Dow Jones Sustainability Index and the FTSE4Good recognition. We were also named a 2018 Constituent to the MSCI/ECPI Leaders indices.



We believe these organizations see in us what we have long known... Kellogg is a company with a heart and soul. Of course, we are dedicated to being a sustainable, long-term business, and we will never lose our anchor as a purpose-driven organization.

That's why our Heart & Soul strategy – that comes to life through our *Breakfasts for Better Days™* global signature cause platform – is integral to our Deploy for Growth business strategy. We simply cannot succeed if we don't collectively win in the marketplace and make a difference in people's lives.

“Breakfasts for Better Days™ is one of the most focused CSR strategies in the industry, aligning the business strategy with societal needs.”

The Business of Social Investments

To ensure that we appropriately consider the needs of people, our communities and our planet, along with those of our company, we recently revisited our materiality assessment and more closely aligned our corporate responsibility work with the United Nations' (U.N.) Sustainable Development Goals (SDGs). In doing so, we identified six priority SDGs around which the vast majority of our work is aligned, and 11 additional SDGs to which our work also contributes. Here are the six priority SDGs we're working toward:



UN Sustainable Development Goals (SDGs)

In last year's Corporate Responsibility Report, I discussed our keen awareness that no one can achieve the ambitious and essential SDGs alone. This point was brought home at an event Kellogg hosted during the U.N. General Assembly/Climate Week in New York City. Faced with new evidence from the Food and Agriculture Organization of the U.N. (FAO) that global hunger continues to increase, Kellogg, SDG2 Advocacy Hub, and Food Reform for Sustainability and Health (FReSH) hosted a timely conversation at our [Kellogg's® NYC Cafe on Transforming Food Systems to Drive Solutions for Achieving Zero Hunger](#). The [event](#) inspired a disruptive dialogue among seven leading experts and up-and-coming innovators on the critical need for global, cross-sector collaboration to achieve SGD #2 – Zero Hunger. Bringing together this group of leading voices underscores our company's commitment to driving impactful solutions. It also reminds us of how essential it is that we even more closely align our work with the SDGs and their 2030 goals.

This and other work highlighted throughout this Corporate Responsibility Report showcase how we are successfully driving business results by embedding purpose in our brands. I thank our employees and partners for joining us on this journey.

We're proud to share Kellogg Company's 11th annual Global Corporate Responsibility Report. Thank you for your interest in our work as we continue fulfilling our purpose of *nourishing families so they can flourish and thrive*.

Steve Cahillane
Chairman and Chief Executive Officer
June 2019

Message

FROM THE SVP, GLOBAL CORPORATE AFFAIRS

FROM OUR EARLIEST DAYS, KELLOGG HAS BEEN A PURPOSE-DRIVEN ORGANIZATION, A COMPANY WITH A HEART AND SOUL.

Our founder, W.K. Kellogg, was an early conservationist and a leading philanthropist, as well as the original wellbeing visionary. For more than a century, his values have inspired our philanthropy and sustainability work, as well as the foods we make for people around the world.

Since 2013, when we introduced our *Breakfasts for Better Days*™ global signature cause platform, we've focused our Heart & Soul strategy on driving the transformational change needed to address the worldwide issue of food security. We've taken this approach because, like the [United Nations Committee on Food Security](#), we see food security as a holistic issue. It goes beyond feeding hungry people to “making sure that all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life.” That’s why we’re partnering with others, including the U.N., to help address the factors they’ve identified – “changing climate, growing population, rising food prices and environmental stressors that will have significant yet highly uncertain impacts on food security.”

Through *Breakfasts for Better Days*™, we are addressing food security by delivering on the four boosters of our Heart & Soul strategy: nourishing with our foods, feeding people in need and nurturing our planet, all while living our founder’s values.



And we’re making a difference. In fact, we’re far ahead of schedule in achieving our current commitments, reaching more people with greater impact than we had anticipated at this point in time.

In 2016, we announced a new commitment to create 3 billion better days by the end of 2025. Since then,

Kellogg has delivered more than 1.2 billion Better Days, or 40 percent of our 2025 goal, in just two years by:

DONATING

1.1 billion servings of **FOOD** (44 percent of goal)

REACHING 1.1 million CHILDREN with nutrition education and feeding programs (55 percent of goal)

SUPPORTING 322,000 FARMERS (64 percent of goal)

SECURING 18,100 VOLUNTEER DAYS (40 percent of goal)

ENGAGING 135.4 million PEOPLE in the journey to address food security (45 percent of goal)

But we know we can do more.



THE NEXT-GENERATION KELLOGG'S® BETTER DAYS GLOBAL PURPOSE PLATFORM

Today, our world faces a significant crisis: more than 820 million people¹ face a future of food insecurity brought on by our growing population, climate vulnerability and malnutrition.

We've been actively working to help solve these issues for more than a century. Most recently, we delivered significant value for people, communities and the planet through *Breakfasts for Better Days*™. However, as a leading global plant-based food company – and a company with a heart and soul – we must do even more to address the urgent and interrelated issues of accessible and nutritious foods, sustainable production and hunger relief. Our consumers and customers expect it of us, and we demand it of ourselves. That's why we're setting ambitious next-generation commitments, aligned with the U.N. SDGs 2030 target.

OUR NEXT-GENERATION COMMITMENT:

Kellogg is helping end hunger and create *Better Days* for 3 billion people by the end of 2030. To do so, we're addressing the interconnected issues of food security, climate and wellbeing by:



Our intent is to create *Better Days* for 3 billion people – by the end of 2030 by:

- Nourishing 1 billion people with our foods by delivering nutrients of need and addressing hidden hunger;
- Feeding 375 million people in need through food donations and expanded child feeding programs;
- Nurturing the planet by supporting 1 million farmers, especially women smallholders and workers, while conserving natural resources all along our value chain, from responsibly sourcing ingredients and reducing food waste, to providing recyclable, reusable or compostable packaging.
- Living our founder's values by advocating on behalf of hungry children everywhere and engaging 1.5 billion people to help address the important issue of food security; encouraging employee volunteerism; ensuring an ethical supply chain; and supporting diversity and inclusion.

We know we can't achieve our commitments alone and will continue to forge partnerships – with our employees, supplier partners, customers, government leaders, non-governmental organizations (NGOs), people who enjoy our foods and others – to improve lives and the planet we all share.

Our current *Breakfasts for Better Days*™ and Global Sustainability commitments will sunset in 2019 and we'll issue our final report on these goals in our 2019/2020 Corporate Responsibility Report. In the meantime, you can learn more about our next-generation [Kellogg's® *Better Days* commitment here](#).

Although many of our corporate responsibility initiatives cross multiple Heart & Soul strategy boosters – such as our support of World Food Day and International Women's Day – we'll continue to report on the four boosters of our Heart & Soul strategy:

- Nourishing with our foods;
- Feeding people in need;
- Nurturing our planet; and,
- Living our founder's values.

We're excited to share the results of our journey thus far and look forward to our continued partnerships to achieve food security, including a zero hunger world by 2030.

Kris Bahner
Senior Vice President
Global Corporate Affairs
June 2019



About KELLOGG COMPANY

..... 2018 sales: USD \$13.5 billion



a leading
global plant-based
food company



leading
global cereal
company



1,800
foods

marketed in
180+ countries



2nd largest
cracker and savory
snack company



leading
North American
frozen food company



W.K.
KELLOGG
FOUNDATION®



“Use the money as you please, as long as it promotes the health, happiness and wellbeing of children.”

– W.K. Kellogg on his vision for the W.K. Kellogg Foundation

The mission of the W.K. Kellogg Foundation is to support children, families, and communities as they strengthen and create conditions that propel vulnerable children to achieve success as individuals and as contributors to the larger community and society.

The [W.K. Kellogg Foundation](#) (WKKF), established in 1930 as an independent, private foundation, is among the largest philanthropic foundations in the U.S. As legally separate entities, Kellogg Company has no influence on the Foundation's activities, programs or initiatives. WKKF receives its income primarily from the W.K. Kellogg Foundation Trust, and the Trust is Kellogg Company's largest shareowner. In 2018, Kellogg stock was approximately 54 percent of the Trust's portfolio, and Kellogg Company paid more than USD\$146 million in dividends to the Trust to fund the Foundation's work.

About THIS REPORT

This report has been prepared using the Global Reporting Initiative ([GRI](#)) and Food Processing Sector Standards, plus the Sustainability Accounting Standards Board ([SASB](#)) Processed Foods Standards. We are reporting in accordance with GRI's "Core" option and have also included additional information addressing some "Comprehensive" reporting disclosures. Kellogg Company's most recent full GRI-based Corporate Responsibility Report was published in [2018](#). We intend to continue publishing an annual Corporate Responsibility Report, as well as GRI and SASB indices. We welcome your questions and feedback at [OpenForBreakfast.com](#).



Materiality ACROSS OUR VALUE CHAIN

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

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

Although there are myriad important issues facing society today, we focus on the intersection of those that are most material to our business and where we can have the greatest impact given the reach of our operations, supply chain and value chain. In 2018, we conducted a comprehensive mapping exercise to carefully evaluate this intersection against all 17 U.N. SDGs. As a result, we've expanded our materiality matrix across our value chain and indicated those "Priority SDGs" most aligned with our work. We also identified a number of "Additional SDGs" that are important to our business and that we impact; however, those listed as Priority are where we concentrate our corporate responsibility efforts.

Each year, we review our material topics and update them as appropriate. It's important to note one change since our last report: the removal of transparency from the list. We no longer see transparency as a separate topic but as an overall commitment to how we approach our business. Transparency is embedded in each of the material topics and in our overall operations.

See our GRI and SASB [indices](#) for additional information on economic, governance, environmental and social disclosures, as well as topics specific to the food processing sector.



Materiality ACROSS OUR VALUE CHAIN

The following table lists the four sections of this corporate responsibility report and the topics within each. It also indicates the boundaries of each topic across our value chain, and the U.N. SDGs we've identified as either "Priority" or "Additional" for each of these workstreams.

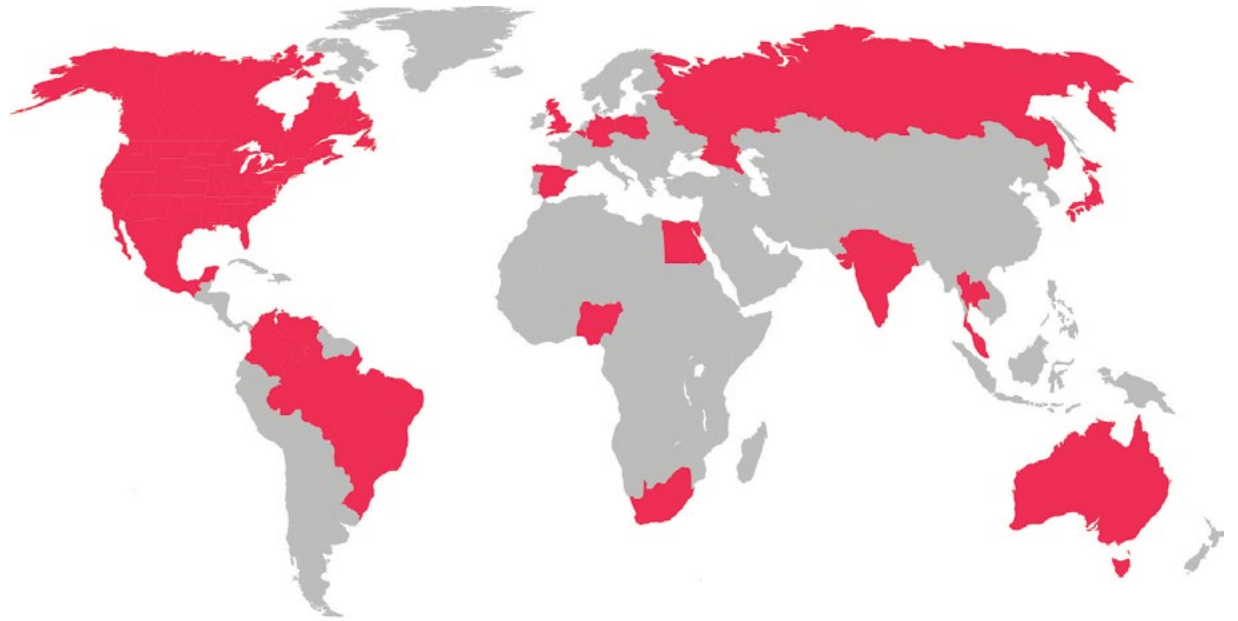
OUR VALUE CHAIN										SUSTAINABLE DEVELOPMENT GOALS	
MATERIAL TOPICS	Research & Development	Agriculture	Suppliers	Manufacturing & Packaging	Marketing & Sales	Distribution	Customers	Consumers	End of Life	Priority SDGs	Additional Material SDGs
Nourishing With Our Foods											
Food Quality & Safety	●	●	●	●	●	●	●	●	●	2 (Good Health & Well-being), 13 (Climate Action), 17 (Partnerships for the Goals)	3 (Good Health & Well-being)
Responsible Marketing	●				●		●	●	●	5 (Gender Equality), 12 (Responsible Consumption and Production), 17 (Partnerships for the Goals)	3 (Good Health & Well-being), 14 (Life Below Water)
Wellbeing (Physical, Emotional and Societal)	●	●	●	●	●		●	●	●	2 (Good Health & Well-being), 5 (Gender Equality), 13 (Climate Action), 17 (Partnerships for the Goals)	1 (No Poverty), 3 (Good Health & Well-being)
Feeding People In Need											
Food Security	●	●	●	●	●	●	●	●	●	2 (Good Health & Well-being), 5 (Gender Equality), 13 (Climate Action), 17 (Partnerships for the Goals)	3 (Good Health & Well-being), 14 (Life Below Water), 15 (Life on Land)
Nurturing Our Planet											
Climate Change	●	●	●	●	●	●	●	●	●	2 (Good Health & Well-being), 13 (Climate Action), 15 (Life on Land), 17 (Partnerships for the Goals)	1 (No Poverty), 9 (Industry, Innovation and Infrastructure)
Food Loss and Waste	●	●	●	●	●	●	●	●	●	2 (Good Health & Well-being), 12 (Responsible Consumption and Production), 13 (Climate Action), 15 (Life on Land), 17 (Partnerships for the Goals)	14 (Life Below Water)
Natural Resource Conservation	●	●	●	●	●	●	●		●	2 (Good Health & Well-being), 13 (Climate Action), 17 (Partnerships for the Goals)	6 (Clean Water and Sanitation), 7 (Affordable and Clean Energy), 9 (Industry, Innovation and Infrastructure), 14 (Life Below Water)
Sustainable Agriculture	●	●	●		●		●	●		2 (Good Health & Well-being), 5 (Gender Equality), 15 (Life on Land), 17 (Partnerships for the Goals)	1 (No Poverty), 4 (Quality Education), 6 (Clean Water and Sanitation)
Living Our Founder's Values											
Business Ethics & Compliance	●	●	●	●	●	●	●	●	●	2 (Good Health & Well-being), 5 (Gender Equality), 12 (Responsible Consumption and Production), 13 (Climate Action), 17 (Partnerships for the Goals)	3 (Good Health & Well-being), 4 (Quality Education), 8 (Decent Work and Economic Growth), 14 (Life Below Water), 16 (Peace, Justice and Strong Institutions)
Diversity & Inclusion	●	●	●	●	●	●	●	●		5 (Gender Equality), 17 (Partnerships for the Goals)	6 (Clean Water and Sanitation), 10 (Reduced Inequalities)
Human Rights	●	●	●	●	●	●				2 (Good Health & Well-being), 5 (Gender Equality), 17 (Partnerships for the Goals)	3 (Good Health & Well-being), 4 (Quality Education), 8 (Decent Work and Economic Growth)



Our BUSINESS REGIONS

In 2018, Kellogg reorganized its Europe and Asia Pacific regions to better align with business needs. Following are the four operating regions referenced in this report:

- **Kellogg AMEA**
(AMEA) including Asia, the Middle East, Africa and Turkey²
- **Kellogg Europe**
(KEU) including Russia
- **Kellogg Latin America**
(KLA) including Mexico, Central America and South America
- **Kellogg North America**
(KNA) including Canada and the United States



CORPORATE RESPONSIBILITY GOVERNANCE

Kellogg Company's Social Responsibility and Public Policy Committee of the Board of Directors oversees our corporate responsibility strategy. Our Senior Vice President (SVP) of Global Corporate Affairs, who reports to the Chairman and Chief Executive Officer (CEO), is responsible for successfully implementing the strategy and regularly updating the CEO and Board committee. Our Chief Sustainability Officer (CSO) reports to the SVP of Global Corporate Affairs. Additionally, numerous leaders are accountable for achieving specific corporate responsibility commitments, based on their roles. Our CEO, SVP, CSO and other leaders have annual performance goals tied to the company's Corporate Responsibility metrics.



² Effective Jan. 1, 2019

Progress TOWARD OUR CURRENT COMMITMENTS

The following dashboard summarizes our progress toward our *Breakfasts for Better Days™* global signature cause platform and 2020 Global Sustainability commitments. Additional information on each of these commitments is outlined in the respective sections of this report, the GRI and SASB [indices](#), as well as on our [corporate website](#).

In our **2019/2020 Corporate Responsibility Report**, we'll begin reporting on our progress toward our new Kellogg's® *Better Days* commitment.

Section	Priority	Focus Area	Commitment	2018 Progress
Nourishing With Our Foods	Inspired by Our Food Beliefs	Snacks ³	By 2020, include one or more positive nutrients or ingredients in every snack food in the convenient nutrition (bars and other snacks) category.	72%
Feeding People In Need	Addressing Food Security	<i>Breakfasts for Better Days™</i> – Hunger Relief ⁴	By the end of 2025, donate 2.5 billion servings of food to people in need.	530,049,607 servings
			By the end of 2025, expand feeding and nutrition education programs so 2 million children can reach their full potential.	513,228 children reached
			By the end of 2025, commit to 45,000 volunteer days by Kellogg employees and retirees.	10,649 volunteer days
			By the end of 2025, engage 300 million people around the issue of hunger relief.	68,705,447 people
			By the end of 2025, create 3 billion Better Days by donating food, feeding people, supporting farmers and volunteering and engaging people.	562,461,466 Better Days
		Food Loss and Waste	By 2030, do our part to halve per capita global food waste at the retail and consumer level, and to reduce food losses along the production and supply chains including post-harvest ⁴ (aligned with U.N. SDG #12.3 as part of Champions 12.3).	7.3% absolute reduction within Kellogg manufacturing operations
				7.9% normalized reduction within Kellogg manufacturing operations
11.6 metric tonnes of food waste/net sales				



³ Data are an average of our six core markets, which represent the majority of our worldwide sales.

⁴ From a 2016 baseline.

Our COMMITMENTS CONTINUED

Section	Priority	Focus Area	Commitment	2018 Progress
Nurturing Our Planet	Conserving Natural Resources	Climate and Energy	By 2020, reduce energy use by an additional 15%. ^{5,6}	7.7%
			By 2020, reduce greenhouse emissions by an additional 15%. ^{5,6}	10.1%
			By 2020, expand the use of low-carbon energy in our plants by 50%. ⁶	Complete
			By 2050, reduce Scope 1 & 2 emissions in our operations by 65%. ⁶	5.8%
			By 2050, partner with our direct suppliers to help reduce their Scope 3 emissions by 50 percent (including agriculture). ⁶	Engaged 80% of direct suppliers to report their emissions.
			By 2050, source 100% renewable electricity.	23%
		Water	By 2020, implement water reuse projects in at least 25% of our plants.	14%
			By 2020, reduce our water use by an additional 15%. ^{5,6}	7.7%
			Continue watershed quality support.	Ongoing
		Waste	By 2020, reduce total waste in our plants by 15%, with a focus on food waste. ^{5,6}	11.3%
		Packaging	Continue commitment to ensure that 100% of all timber-based packing is either recycled or certified as sustainably sourced.	Complete
			Continue adding value to foods and the planet by increasing our use of resource-efficient packaging.	In 2018, 65% of packaging material was from recycled content; the remainder was from verified sustainable sources.
	Work toward 100% reusable, recyclable or compostable packaging by the end of 2025.		New commitment in 2018. We'll begin tracking progress in 2019.	
	Sourcing Responsibly	Ingredients	By 2020, responsibly source our 10 priority ingredients: cocoa, sugar cane, vanilla, palm, corn, wheat, rice, potatoes, beet and fruit. More than 70 priority-ingredient suppliers are engaged in measuring continuous improvement or investment in sourcing communities.	On-track Learn more about our methodology and progress here .
		<i>Breakfasts for Better Days™</i> – Sustainable Agriculture	By 2020, improve sustainable agriculture by enabling 500,000 farmers to implement more sustainable farming practices using climate-smart agriculture and reducing post-harvest loss.	322,000 farmers (including those from 2017)
		Smallholder Farmers	By 2020, support 15,000 smallholder farmers in our direct supply chain to increase adoption of climate-smart agriculture and help improve their livelihoods and climate resiliency.	Commitment is complete, work is ongoing.
Women Farmers/Workers		By 2020, develop programs to help women farmers/workers improve their livelihoods, families and communities using climate-smart agriculture.	Commitment is complete, work is ongoing.	



⁵ Per metric tonne of food produced.
⁶ From a 2015 baseline.



Nourishing

• WITH OUR FOODS •

Millions of families across the world count on Kellogg – a leading global plant-based food company – for great-tasting foods that meet their needs. From table to table, these needs vary greatly. That’s why we are constantly listening, learning and evolving, and why we’ll always offer a variety of foods that deliver holistic attributes. While taste is one very important attribute, so, too, are nutrition, accessibility and sustainable production. Only by considering all of these aspects of our foods can we contribute to food security and help ensure the world’s ability to feed our ever-increasing population within planetary boundaries.

By nourishing people with our foods, we’re contributing to our five priority U.N. SDGs: 2 – Zero Hunger; 3 – Health and Wellbeing; 5 – Gender Equality; 12 – Responsible Consumption and Production; 13 – Climate Action; and 17 – Partnerships for the Goals. Our work also supports a number of additional SDGs that are important to our business, outlined in [Materiality Across our Value Chain](#).



Supporting WELLBEING

W.K. Kellogg was the original wellbeing visionary. Founding Kellogg as a plant-based company, he understood, valued and communicated about the nutrition and benefits of plant-based diets and their impact on a broader world.

Today, according to researchers in a variety of fields, the world faces three interconnected and significant risks:



PHYSICAL WELLBEING

With all of the scientific knowledge the world has today, we can begin to shift our view from treatment of illnesses to one of overall wellbeing.



EMOTIONAL WELLBEING

The pillars of community – family and friendships – are changing. Kellogg has an opportunity to help people form important connections, which often involve food.



SOCIETAL WELLBEING

We face a future of food insecurity brought on by our growing population, climate vulnerability and malnutrition. We must find a way to feed more people within our planetary boundaries.



Kellogg and our plant-based foods play an important role in addressing these needs through our overall approach to wellbeing.

A plant-based diet is known to promote physiological wellbeing by providing the right balance of macro- and micro-nutrients that feed and create a diverse microbiome, which supports immune health, mood and sleep quality.

Food, by its very nature, brings people together. This togetherness fosters social and emotional connections that provide nourishment and wellbeing in the broadest sense.

Also, as a leading global plant-based food company, we are uniquely placed to help tackle the urgent issue of food security by sustainably producing and ensuring access to our nutritious foods.

By unlocking the power of our foods in this way, we fulfill our purpose of:

*Nourishing families so they
can flourish and thrive.*



SUPPORTING PHYSICAL WELLBEING

In 2015 and 2016 respectively, we launched global Breakfast Food Beliefs and Snack Food Beliefs to help address the dual food security challenges of undernutrition and obesity identified in U.N. SDG #2 – Zero Hunger and #3 – Good Health and Wellbeing. We are on track to achieve these goals and intend to soon launch new Food Beliefs to reinforce our overall wellbeing commitment.

WE CONTINUE TO BE INSPIRED TO:

Increase nutrients of need

Reduce sugar and sodium

Remove artificial colors and flavors

from our [portfolio](#).

- In 2018, Kellogg Latin America reformulated Kellogg's Special K® cereals. The foods now include antioxidants, Vitamin D, folic acid, Vitamin B12, iron, zinc and calcium.
- Kellogg Europe has continued its work reducing sugar in Kellogg's Coco Pops®. In 2018, Kellogg cut sugar by 40 percent. This follows our 14 percent sugar reduction in the popular cereal in 2017.

- In the U.S, fortification changes have been made across many core brands to reflect regulatory changes, current dietary guidelines as well as consumer desires. Our fortification profiles include B-vitamins, vitamin D, iron and folic acid. Brands like Kellogg's® Special K also include vitamins A, C, E, magnesium and calcium.
- In South Africa, we reduced sodium in our cereals and are adding more vitamins and minerals to Kellogg's Corn Flakes®, Kellogg's All-Bran Flakes® and Kellogg's Special K®.
- We recently joined other food and beverage companies in Brazil committing to reduce sugar in our foods by 2022. This decision follows our earlier work reducing sugar in our cereals in Europe as reported in our [2017 Corporate Responsibility Report](#).
- Kellogg Canada reduced added sugar in its cereals and now has five foods labeled [Sugar Wise](#) with 1-4 grams of sugar per serving including Kellogg's Rice Krispies®, Kellogg's Brown Rice Rice Krispies®, Kellogg's Corn Flakes®, Kellogg's Crispix®, and Kellogg's Special K Original®.



- Kellogg added RXBAR® to its family of brands in 2017. RXBAR® continues to introduce new clean-label, whole ingredient protein bar flavors, nut butters and RXBAR Kids® to help people get the protein they want with no added sugar.
- We continue to see positive consumer response to our Kellogg Europe W.K. Kellogg cereals and granolas with no added sugar.
- Globally, we've removed artificial colors and flavors from the vast majority of our foods.



We also recently reformulated our cereals in Latin America to meet new nutrition requirements. Our efforts also continue to align with the World Health Organization's [Global Action Plan for the Prevention and Control of Non-Communicable Diseases](#).

WE'RE FOCUSING ON *key nutrients*

OF NEED,
INCLUDING VITAMINS

A C E & D

**IRON, B VITAMINS
AND FOLIC ACID**



The importance of the microbiome

At a time when 92 percent of Americans rate maintaining digestive health as important to their overall health, Kellogg introduced new brand [HI! Happy Inside™](#) in the U.S. in late 2018. This 3-in-1 cereal delivers prebiotics, probiotics and fiber to feed and foster a diverse microbiome. This innovative new food will be introduced in most Kellogg regions in 2019 and 2020.



Recent clinical research reaffirms the digestive benefits of wheat bran and barley, two of the main ingredients in Kellogg's All-Bran® in Japan. To encourage even greater enjoyment of this good-for-you food, the local team has added strawberry, mango and raisins to the recipe.

We are a leading global *plant-based* food company

86%

of our cereals, snacks and other foods are **vegetarian**⁷.

Kellogg's

Vegetarian and vegan choices

As more people become familiar with the health and planet benefits of a plant-based diet, Kellogg's® cereals, snacks and other foods continue to increase in popularity.

Some people prefer a vegan diet with no dairy or eggs. MorningStar Farms® line of meatless options, widely available across the U.S., recently introduced several new vegan products and announced plans to convert its entire product line to be 100% vegan by 2021. A number of other Kellogg brands also have vegan options, including W.K. Kellogg® cereal and granolas in Europe, Be Natural® in Australia/New Zealand, Kashi® in Canada and the U.S., and Bear Naked® in the U.S.



100% vegan by 2021

Kellogg's

⁷ Data represents foods sold in our six core markets as of December, 2018.

ADVANCING WELLBEING THROUGH OUR FOODS

Kellogg is furthering scientific discovery and sharing nutrition information with a wide variety of stakeholders across our value chain. Our work in this area begins with the internal and external research and development community, and ends with people. Along the way, it touches farmers who grow our ingredients, suppliers and our customers. Following are highlights of Kellogg Company's efforts to advance nutrition education in 2018.

Sharing the good news about gut health

From healthcare professionals to communities and people, Kellogg further amplified its fiber education initiatives in 2018.



In the U.K., we hosted a webinar on *The Prebiotic Potential of our Diets – Fiber and More* in conjunction with the [British Nutrition Foundation](#). Experts from Kings College London, University of Reading, the British Nutrition Foundation and KU Leuven shared information on the health benefits of prebiotics in creating a diverse microbiome, where they are found in the diet and why they are important from a public health perspective.

In Canada, general practitioners, registered dietitians and diabetes educators learned more about the multiple benefits of psyllium fiber found in *Kellogg's All-Bran Buds®* and *Kellogg's All-Bran Multi-Grain Crunch®* cereals via a variety of educational materials. Grounded in science, the materials provided important facts and information for these healthcare professionals to share with their patients.

To help healthcare professionals and people better understand the importance of the microbiome and significant health benefits of fiber, Kellogg Australia/New Zealand created unique "Gut Bacteria Zoos" for people to browse interactive displays and see giant models of gut bacteria. People could also get their [Good Gut Score](#) after taking a simple quiz. The attention-getting approach worked. Research showed that people got the message that fiber helps the good bacteria in the gut thrive.





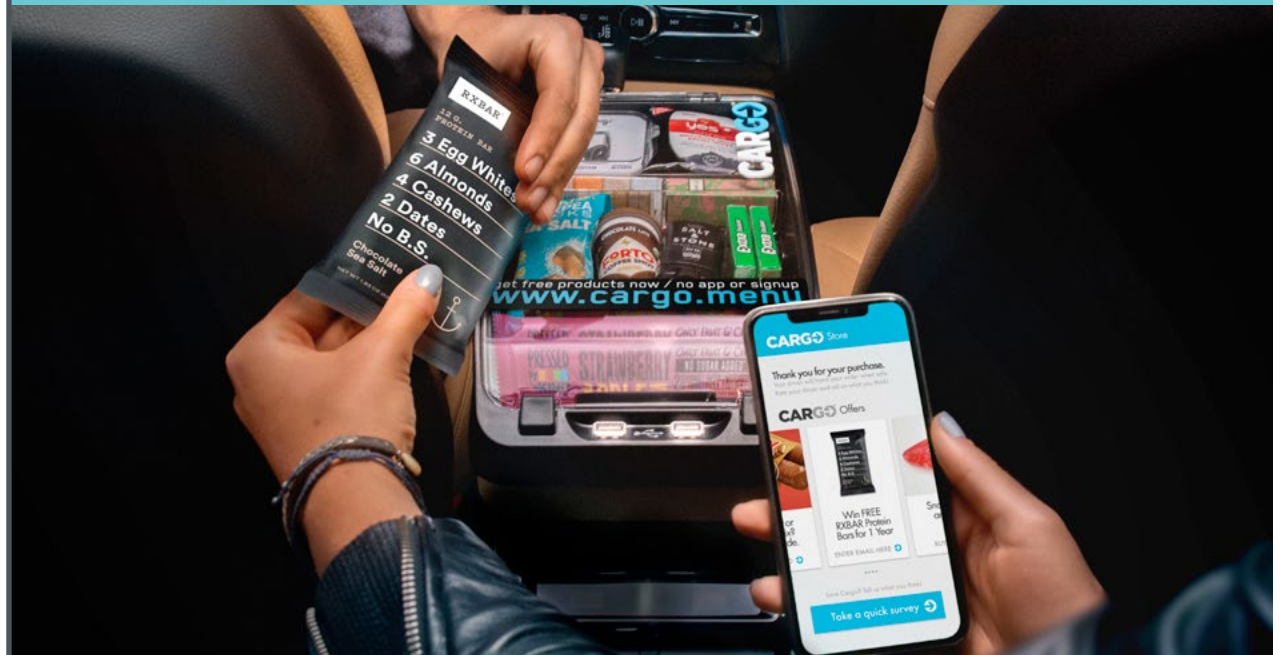
Accessibility and affordability

As we continue to grow our company by expanding our business in emerging markets, addressing hidden hunger and ensuring accessibility and affordability of our foods become even more important considerations. In some Latin American countries, more than 80 percent of retail sales occur in small, high-frequency stores. Our transition to bags and single servings helps drive a price point that makes our nutritious foods, as well as our snack foods, accessible to many more people. We've deployed a similar strategy in Nigeria and Egypt that brings our nutritious foods to more families in these important emerging markets. Our work in all three of these geographies focuses on distribution of our fortified foods to people in disadvantaged communities.

eighteen94
capital

In developed markets, we're also looking to make our foods more accessible. Our [Eighteen94™ Capital](#) fund is investing in next-generation start-up businesses. In addition to pursuing opportunities with several plant-based nutrition and protein companies, the fund recently invested in [Cargo®](#), a service that provides in-car commerce to the rideshare community. Cargo® has an exclusive global partnership with [Uber](#) that allows riders to order snacks, beverages, electronics and beauty products from a Cargo box while on a rideshare trip. Cargo® launched in 2017 and since then 25,000 rideshare drivers have already earned more than USD\$6 million distributing more than six million products to passengers.

CARGO →



New approaches to help support physical wellbeing

People want information to help them make healthy food choices, but they often don't have time for extensive research. That's why we regularly leverage our consumer-facing communication channels and expertise to find innovative ways of sharing this information.

- In the U.S., we partnered with the Women, Infants and Children Program ([WIC](#)) that provides nutritious foods, nutrition education, healthcare referrals and skills training to help families at nutrition risk create sustainable habits that result in positive health outcomes. We also created a [Family Meals Month](#) campaign and an app that highlighted how to use WIC foods to make affordable and delicious meals that bring the family together. We partnered with three retail customers – Vons and Stater Brothers in California and Spartan Nash in Michigan – who helped share this information with more than 300,000 families.
- Our U.S. Specialty Channels team created a special website and [information](#) for school foodservice directors that provides them with menu-planning tools that deliver the nutrition kids need.
- Kellogg Korea launched its #Nutritiongram on Instagram ([kelloggsnutrition.kr](#)) to share nutrition information with healthcare professionals in Korea who are interested in health and food. Already, the account has nearly 1,200 followers.



- With two out of three U.S. girls and many women missing key nutrients in their daily diets⁸, Kellogg's Special K[®] opened the [Shortfall Supermarket](#) in New York City on October 11, the International Day of the Girl, in partnership with the United Nations Foundation's [Girl Up](#). To highlight this nutrition gap and the role food plays in living life at full strength, the free Shortfall Supermarket reframed the grocery shopping experience with aisles organized by nutrients instead of food categories.

Every two years, Kellogg participates in the comprehensive [Access to Nutrition Index](#) that objectively assesses the contribution the private sector makes to addressing global nutrition challenges. In 2018, we increased our score from #10 to #8 in the overall, global ranking of food and beverage companies.



⁸What We Eat in America, NHANES 2007-2010, individuals 1 year and over (excluding breast-fed children and pregnant or lactating females), dietary intake data. Prepared by the Food Surveys Research Group, Beltsville Human Nutrition Research Center, Agricultural Research Service, U.S. Department of Agriculture.

Participating in the scientific community

In 2018, Kellogg co-sponsored two meetings of nutrition scientists at the [University of California Los Angeles Microbiome Center](#):

- *The Human Microbiome: Time for Effective Translation* French American Innovation event that brought together microbiome scientists from the U.S. and France for a discussion on the latest gut health science, collaboration and translation from science to medicine; and,
- 7th International Dietary Fiber Conference of the [International Association for Cereal Science and Technology](#).

In addition, Kellogg supports leadership in nutrition around the world through sponsorships with key partners of researchers and innovators in the industry:

- For 23 years, the Kellogg International Prize in Nutrition is awarded each year to a nutrition professional actively engaged in research to benefit populations in non-industrialized countries through the American Society for Nutrition (ASN).
- We also sponsor the American Association of Cereal Chemists Nutrition Division Best Student Research Award for Grain Nutrition Science that recognizes students presenting high-quality nutrition research on the benefits of grains.
- In Latin America, through our Apoyo a Proyectos de Investigación en Nutrición (APIN) initiative from our [Kellogg's Nutrition and Health Institute](#)

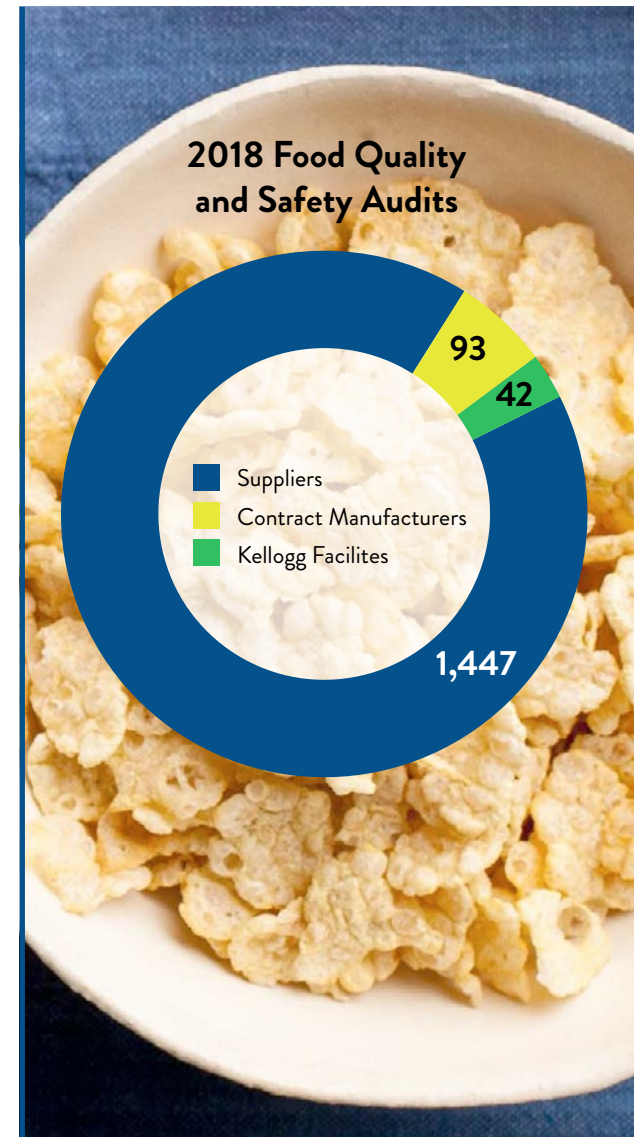
(INSK), we recognize the effort of Mexican and Colombian researchers from public and private centers who have made relevant contributions to the local health needs in these populations.

Ensuring FOOD QUALITY AND SAFETY

There is nothing more important to Kellogg than the quality and safety of our foods and the safety of our people. Both are foundational to our [K Values](#) and a commitment every employee makes every day. (See [Living our Founder's Values](#) for people safety information.)

To reinforce the importance of food safety at Kellogg, in 2018 we launched a company-wide food quality and safety training initiative that is mandatory for every employee and all new hires. Of course, employees working in our manufacturing facilities also undergo regular food quality and safety training.

To ensure that our high expectations are met, we have comprehensive, global uniform food quality and safety standards that are clearly articulated in our Kellogg Food Safety System. All company-owned and contract-manufacturing facilities, as well as ingredient suppliers, are certified by the Global Food Safety Initiative ([GFSI](#)). Our facilities in North America are also Safe Quality Food Institute ([SQF](#)) certified. We began unannounced audits of our Kellogg-owned facilities and contract manufacturers globally in 2018 and will make this our standard practice across our entire manufacturing supply chain, including ingredient suppliers, in 2019.



We also invested nearly USD\$48 million in new equipment and facility improvements in 2018 that supported additional advancements in our food safety systems and processes.



Marketing RESPONSIBLY

Kellogg is a signatory to 21 global, regional and national responsible marketing pledges including:

- International Food and Beverage Alliance and Consumer Goods Forum global pledges;
- European Union and Gulf Cooperation Council regional pledges; and,
- National pledges in Australia, Belgium, Brazil, Canada, Colombia, India, Malaysia, Mexico, Philippines, Portugal, Russia, Saudi Arabia, Singapore, South Africa, Switzerland, Thailand and the U.S.

Our commitments are outlined in our [Worldwide Marketing and Communications Guidelines](#) that also include the Kellogg Global Nutrient Criteria.

Kellogg was the first company to put nutrition information on its cereal packages in the 1930s. This transparent approach and our belief that more information about our foods is good for people's overall wellbeing continues today. In 2018, we announced plans to adopt "traffic light" labeling on just under 80 percent of our cereal packages in the U.K. and Ireland. The decision to introduce the new labeling approach was based on feedback from a survey of consumers who said they want food companies to help them make healthy decisions.



Traffic light labeling

“Clear information is the foundation of healthy choices, so we’re pleased that Kellogg is adding traffic lights to its front-of-pack labeling. This announcement highlights the importance of helping consumers to make informed choices and we hope other companies will follow suit.”

Dr. Alison Tedstone, PhD.
Chief Nutritionist at Public Health England

#SEE HER

GENDER EQUITY IN ADVERTISING

Ensuring that we increase the accurate portrayal of women and girls in advertising and media is an important part of our diversity and inclusion and U.N. SDG #5 – Gender Equality priorities.

In the U.S., we are a member of the Association of National Advertisers (ANA) Alliance for Family Entertainment [#SeeHer](#) movement. As participants, our advertising and other marketing work is evaluated against a Gender Equity Measure (GEM) that determines how prominently we feature women.





OPEN FOR BREAKFAST

People have more questions about food than ever before. They want to know what goes into our food, how we grow and source our ingredients, and what we're doing to give back to communities. And we want to have these conversations. That's why we host Open for Breakfast, our consumer transparency website, where we have led an ongoing dialogue with people since 2015. With online communities in the [U.S.](#), [Australia/New Zealand](#) and [Latin America](#), Open for Breakfast reaches tens of millions of people globally.

Through this program, we receive and answer thousands of questions every year. We have also created interactive tools including a U.S. [GMO Lookup tool](#) so that people can quickly determine which of our foods have and don't have these ingredients, and our [Sustainability Map](#) that features the details on more than 40 different sustainability programs that we support all around the world.

People can visit any of our Open for Breakfast sites, post a question and we'll answer. Also, in each of our regions, people can ask questions via Twitter and Facebook, or contact our Consumer Affairs teams.



What's your question?

ASK US NOW

VISIT US |   

TRANSFORMING GLOBAL FOOD SYSTEMS

In its January 2019 [report](#), Our Food in the Anthropocene: Healthy Diets from Sustainable Food Systems, the [EAT Forum-Lancet Commission](#) spelled out the first global science-based targets for healthy diets and sustainable food production needed to achieve the goal of healthy people and a healthy planet.

As a member of the [World Business Council for Sustainable Development](#) (WBCSD), Kellogg is engaged in dialogue with businesses across the food value chain to better understand the recommendations within the EAT-Lancet report and to collectively develop science-based targets that reflect regional and cultural preferences. This work is being done through [FReSH](#) (Food System Reform for Sustainability and Health), a collaboration of WBCSD and EAT, of which Kellogg is a founding member.





Kellogg's

Feeding

• PEOPLE IN NEED •

As a leading global plant-based food company, Kellogg is driving transformational change by helping to address the worldwide issue of food security through our *Breakfasts for Better Days™* global signature cause platform. Around the world, we're partnering with our employees, customers, government leaders, non-governmental organizations (NGOs) and the people who enjoy our foods to help ensure food security.

According to the United Nations, this means that people have physical, social and economic access to sufficient, safe and nutritious foods that meet their dietary needs and food preferences for an active and healthy life. Certainly, we're donating our foods to those in need. We're also engaged in multiple, longer-term initiatives to help increase the capacity and infrastructure of local communities to address food security. In 2017 and 2018, these efforts delivered more than 1.2 billion Better Days for people around the world.

By feeding people in need and addressing food security across our value chain, we're contributing to four of our priority U.N. SDGs: 2 – Zero Hunger; 5 – Gender Equality; 13 – Climate Action; and 17 – Partnerships for the Goals. Our work also supports a number of additional SDGs that are important to our business, outlined in [Materiality Across our Value Chain](#).



Breakfasts FOR BETTER DAYS

In 2013, Kellogg launched *Breakfasts for Better Days*™. Since that time, we've provided more than 3 billion servings of food to people in need worldwide and made significant progress toward our *Breakfasts for Better Days*™ commitments that include achieving the following by the end of 2025:

<p>Donating 2.5 billion servings of food to people in need, often in partnership with hundreds of food banks across six continents</p> 	<p>Expanding feeding and nutrition education programs so 2 million children can reach their full potential</p> 	<p>Supporting 500,000 farmers, their families and communities with climate-smart agriculture practices to increase yields, improve climate resiliency and reduce post-harvest loss and waste</p> 	<p>Committing 45,000 Kellogg employee and retiree volunteer days at local community food banks, farms and breakfast programs</p> 	<p>Engaging 300 million people in our efforts to address food security through promotions, online engagement and social media participation</p> 
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- Donating food to families in need
- Expanding feeding and nutrition education programs for children
- Supporting the livelihoods and increasing yields of farming families
- Engaging our employees in volunteer projects
- Inviting others to join us



Since the work to achieve these commitments is interconnected and crosses multiple boosters of our Heart & Soul strategy, our commitment to expand nutrition education programs is covered in the Nourishing with our Foods section of this report. Also, our commitment to supporting farmers is covered in the [Nurturing our Planet](#) section of this report.



Honoring WORLD FOOD DAY

Each October 16, the Food and Agriculture Organization of the United Nations sponsors [World Food Day](#) to draw attention to the worldwide issue of food security. In 2018, the World Food Day theme was “Our Actions Are Our Future – A #Zero Hunger world by 2030 is possible,” highlighting how countries, decision makers, companies and corporations, civil society and citizens are taking action and working together to achieve U.N. SDG 2 – Zero Hunger.



As a global food leader, Kellogg and our foods play an important role in addressing food security. Beginning on World Food Day, and running through [Giving Tuesday](#), on November 27, Kellogg held a [global food drive](#) in support of food banks around the world. The company also invited people to join us in making a difference through two innovative partnerships:

- With our partner [Feeding America](#), we conducted a survey of U.S. food banks to identify the 10 foods hungry families request most. From this information, we created a special Kellogg/Amazon.com donation page where people could easily “click, ship and donate” these non-perishable grocery items to a Feeding America location. More than 30,000 servings of food were donated during the promotion.



- We also partnered with [The Global FoodBanking Network](#) surveying hundreds of food banks in 31 countries to identify, by region, the 10 food items hungry families need most. With this information, we encouraged people in these countries to donate these foods to local food banks.

2018 World Food Day

BY THE NUMBERS:

26 COUNTRIES

72+ FOOD BANKS SUPPORTED

1,017 VOLUNTEERS

2,662 VOLUNTEER HOURS

4.2 MILLION SERVINGS OF FOOD DONATED GLOBALLY

894,292 PEOPLE ENGAGED

4.2 MILLION

Better Days
CREATED

In support of these partnerships, our teams around the world were proud to accomplish the following:

- Employees in China volunteered their time to donate cereal to children and older people in need.
- Kellogg Canada packed breakfast boxes of food for local breakfast clubs and donated more than USD\$150,000 to its breakfast partners.



- In Battle Creek, Michigan, employees and community members joined United Way to pack 100,000 meals that were donated to the local food bank.
- Kellogg held a food drive at our global headquarters that collected 53,000 servings of food.



- Our Korea team hosted a promotion with an online shopping mall whereby one serving of cereal was donated for each Kellogg product purchased during the event. More than 110,000 servings of food were donated to the local food bank.



- Our Kellogg Latin America team secured the donation of more than 3 million servings of food to food banks in Brazil, Colombia, Costa Rica, Ecuador, Guatemala, Mexico and Panama.

- Kellogg Russia employees prepared 15,000 meals across five locations to help feed people in need.

Also to draw attention to World Food Day, Kellogg U.K. conducted a study on the impact of food deserts in deprived areas. The study found that more than a million people in Great Britain live in food deserts – neighborhoods where poverty, poor public transport and a lack of big supermarkets severely limit access to affordable fresh fruit and vegetables.

We also co-sponsored the first comprehensive study – [The State of Global Foodbanking 2018: Nourishing the World](#) – on international food banking with [The Global FoodBanking Network](#) spotlighting how food banks can help achieve U.N. SDG #2 – Zero Hunger.



Addressing FOOD SECURITY

In a world where we produce enough food for everyone, recent research from the [Food and Agriculture Organization of the United Nations](#) (UNFAO) shows that [world hunger continues to rise](#). A UNFAO study estimates that there are now 821 million undernourished people in the world. This means that one in nine people is undernourished and/or hungry. We all can and must do better.

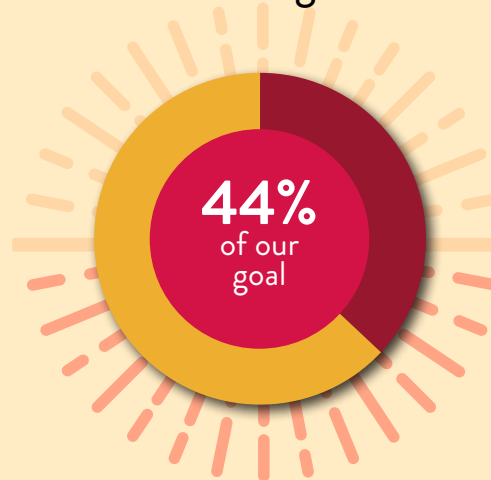
Through *Breakfasts for Better Days*™, we're helping address global food security on many levels, including those outlined in this section and elsewhere in our Corporate Responsibility Report.



Kellogg's Breakfasts for Better Days™ Goal:

Donate 2.5 billion servings of food to people in need by the end of 2025

OUR PROGRESS TO DATE:
1.1 billion servings donated



DONATING FOOD TO PEOPLE IN NEED

In 2018, Kellogg donated more than 530 million servings of food to people in need in 30 countries. Many of these donations were provided via 38 food bank or other food distribution organizations, including [Food Banks Canada](#), which has more than 500 member food banks; the [Mexican Foodbank Network](#) of 50 food banks; [European Food Banks Federation](#); and [Feeding America](#) with 200 member food banks.

As a founding partner of [The Global FoodBanking Network](#), Kellogg has long understood the benefit of a strong food banking infrastructure to help address hunger around the world. In 2018, we helped establish a new food bank in Bucharest, Romania. We also launched a new collaboration with the [Food Bank Regional Network](#) for Africa and the Middle East to help address food waste and support a school feeding program in Cairo, Egypt.

“Breakfasts for Better Days is a consistent, targeted and impactful strategy, providing access to healthy breakfasts to hungry children around the world.”

Lisa Moon, President and CEO
The Global FoodBanking Network



EXPANDING FEEDING PROGRAMS

In 2018, Kellogg celebrated an important milestone – the 20th anniversary of our support of school breakfast clubs. This work began in 1998 in the U.K. and today has expanded around the world.

Breakfast clubs provide students with a healthy breakfast, time to play with friends and, often, the academic support that helps to ensure that children arrive at school ready to learn. For 20 years, Kellogg has provided training and start-up grants to breakfast clubs in England, Scotland, Wales and Northern Ireland. During this time, we've helped more than 3,000 school-based breakfast clubs open their doors by providing more than 70 million bowls of cereal, training 1,600 school teams and investing more than USD\$4 million.

Today, Kellogg supports breakfast clubs in 32 countries and is helping to expand access to free school breakfast in the U.S.

In just the last two years, we reached 1.1 million children through feeding and nutrition education programs. We also advocate for access to breakfast and support programs that provide breakfast to children in need.

- Kellogg Europe co-hosted a workshop with the European Parliament to discuss the results of a [report](#) showing that half of European Union governments surveyed fail to fully understand and promote the importance of breakfast in public health.

- In Korea, the Good Morning Kellogg program is providing healthy and balanced meals to help fight hunger and nurture the development of youngsters in a childcare facility who have either no families or families with little means.



- Kellogg Brazil established new breakfast programs with [Amigos e Crianças](#) and [Liga Solidaria](#) that provide programs for more than 1,000 vulnerable children.



- The Healthy Food, Healthy Mind program in Malaysia was a Kellogg pilot program supported by the [Food Aid Foundation](#) and our W.K. Kellogg Institute for Food Nutrition and Research. Twice a week, 100 kindergarten-age children from low- to middle-income families in the outskirts of Nilai,

Negeri Sembilan received information on healthy eating habits. Kellogg also provided milk and fruit to accompany the children's breakfast cereal. Beginning in 2019, the program will be expanded to reach 326 students five days a week.

- In the U.S., a Kellogg Company grant to Action for Health Kids supported 82 schools piloting or expanding school breakfast programs in the 2018/2019 school year. Schools used the grants to purchase equipment and cover other program costs for programs such as breakfast-in-the-classroom and grab-and-go breakfasts.



Expand feeding and nutrition education programs for 2 million children by the end of 2025

**OUR PROGRESS TO DATE:
1.1 million children reached**



FEEDING PEOPLE IN NEED THROUGH PURPOSE-DRIVEN BRANDS

Like our company, people also care about food security and feeding people in need. In 2018, several Kellogg brands supported hunger relief.

- For every package of our [W.K. Kellogg](#) cereal and granola sold in Europe, we make a donation of 10 pence (about USD\$0.15) to projects that promote sustainable agriculture and provide breakfasts for those in need.
- In the U.S., our Kellogg's® brand donated USD\$1 million to [No Kid Hungry](#) to expand school breakfast programs. As a result, 155,000 more children received a free school breakfast during the 2017-2018 school year.



- People living in underserved communities face significant hurdles when it comes to accessing fresh foods like fresh fruits and vegetables. In fact, about 2.3 million people in the U.S. live more than one mile from a supermarket and do not own a

car. On World Environment Day, June 5, seven Kellogg brands partnered with United Way in nine communities to combat these food deserts by planting and maintaining community gardens. These brands included:



Several community gardens were planted in and near our headquarters community of Battle Creek, Michigan, as well as across the country.



- We're also proud to join with our customers to engage people in hunger relief. In 2018, we again partnered with [Walmart's Fight Hunger. Spark Change](#) program in Canada and the U.S. When people purchased participating Kellogg foods in Walmart stores or online, we donated to [Food Banks Canada](#) or [Feeding America](#). In the U.K., we partnered with [Tesco](#) and [FareShare](#) on a special promotion whereby five pence (about USD\$0.07) from every promotional pack of Kellogg's *Corn Flakes*®, Kellogg's *Special K*® and Kellogg's *Crunchy Nut*® cereals sold at Tesco was donated to FareShare to help feed more hungry people during the holidays and winter months.



SUPPORTING DISASTER RELIEF EFFORTS

When disaster strikes, Kellogg provides important nourishment at times when people need it most. In 2018, we provided food to families forced to evacuate their homes due to multiple natural disasters including the drought in New South Wales, Australia; the eruption of the Fuego Volcano in Guatemala; flooding in Aude, France; flooding in Kerala, India; heavy rainfalls and Hurricane Wilma in Sinaloa, Mexico; wildfires in California; flooding in North and South Carolina as well as the Appalachia region of the U.S. caused by Hurricane Florence; and damage caused by Hurricane Michael in Florida and Georgia.



VOLUNTEERISM

One of the ways we express our [K Values](#) and help deliver on our commitment to feed people in need is by donating our time to help others. Kellogg has created a robust culture of volunteerism across our company and our employees are passionate about using their time and talents to create Better Days in their communities. In 2018, Kellogg employees and retirees volunteered 10,649 days as part of *Breakfasts for Better Days*™.

- Kellogg South Africa employees spent International Nelson Mandela Day volunteering at a local school where our company sponsors a breakfast club. The team served breakfast to the students and then renovated and painted two classrooms, in keeping with the spirit of the day that positive change begins with small actions.

 *Kellogg's* Breakfasts for
Better Days™ Goal:

Commit 45,000 Kellogg employee and retiree volunteer days by the end of 2025

OUR PROGRESS TO DATE:

18,100
volunteer
days



- Employees at our Canadian headquarters office near Toronto adopted the Burnhamthorpe Public School with 635 students ages four to 10, located in a community where one in three people struggle with poverty. Twice a week, Kellogg employees volunteer at the school's breakfast club. Since launching the program in the beginning of the 2018 school year, student participation in the school breakfast program has increased.
- In honor of World Children's Day in April, employees from our Latin American headquarters in Mexico volunteered their time to prepare cereal donation packages for nearly 20,000 children at 51 schools. Employees also wrote personal caring and motivational messages on every package.
- During Ramadan, Kellogg employees in Egypt and Dubai collected food donations and volunteered at local food banks.



- Hundreds of Kellogg employees in Michigan from our Battle Creek headquarters and Grand Rapids offices joined the [United Way of the Battle Creek and Kalamazoo Region](#) and the [Heart of West Michigan United Way](#) at two meal-packing events we sponsored. In Battle Creek, we worked with other community volunteers to pack 100,000 meals

for the [Food Bank of South Central Michigan](#). In Grand Rapids, Kellogg employees and community volunteers packed 200,000 meals that were distributed through the [Feeding America West Michigan Food Bank](#). We also partnered with the [United Way of Greater Philadelphia and Southern New Jersey](#) on two meal-packing events supporting local food banks.



- Kellogg employees and their families volunteered at Cross Care Youth Center, sorting and packing foods for impoverished families for the Christmas and New Year's holidays.

"The partnership with Kellogg is very important for our school and our students in the community. Kellogg employees have been helping prepare breakfast for our students and we can't thank them enough for making sure that, early in the morning, our students are fed and ready to learn."

**Durri Ahmed, Principal,
Burnhamthorpe Public School**



ENGAGING PEOPLE IN HUNGER RELIEF

Solving morning hunger isn't something we can do alone. We collaborate with partners worldwide on this essential work. Sometimes, this means we are the impetus for launching new partnerships like [Bright Start](#), an initiative that resulted from a full-day workshop we hosted at the Asian Venture Philanthropy Network ([APVN](#)) Conference in Singapore. Through this unique public-private partnership, our goal was to build deeper partnerships and commitments from organizations working alongside Kellogg to address morning hunger in India, where 70 percent of children are undernourished.



We held a second meeting in India where we identified a number of collaborators and together launched Bright Start with the theme *solving morning hunger starts now*. At the India summit, Kellogg pledged to provide 1,000 tonnes of whole-grain, vitamin- and mineral-fortified food (the equivalent of USD\$100,000). The collaborators committed to develop a pilot project using this food and their in-kind services to test innovative approaches to solving morning hunger in the AMEA region.

"Our heart and soul work is a big factor in why I chose to work for Kellogg. It's exciting and inspiring."

Kellogg employee



Our company's heart and soul shines brightly all year long, including during our annual U.S. [United Way](#) campaign. For more than 90 years, our company and our people have supported our communities by giving generously to United Way. Like Kellogg, United Way provides breakfast and other food assistance to families in need. Because of our shared commitment, United Way dedicates 50 percent of Kellogg Company's lead gift to supporting breakfast and other hunger programs in the communities where we live and work. In 2018, our company and our employees pledged USD\$4.4 million and volunteered 2,655 Better Days to support United Way-related community initiatives.

Also to engage our employees more fully in our Heart & Soul strategy and *Breakfasts for Better Days*™ commitments, we introduced Better Days teams in each our U.S. manufacturing and office locations in 2018. These teams are helping to feed people in need and nurture our planet in their local communities.

Kellogg's Breakfasts for Better Days™ Goal:

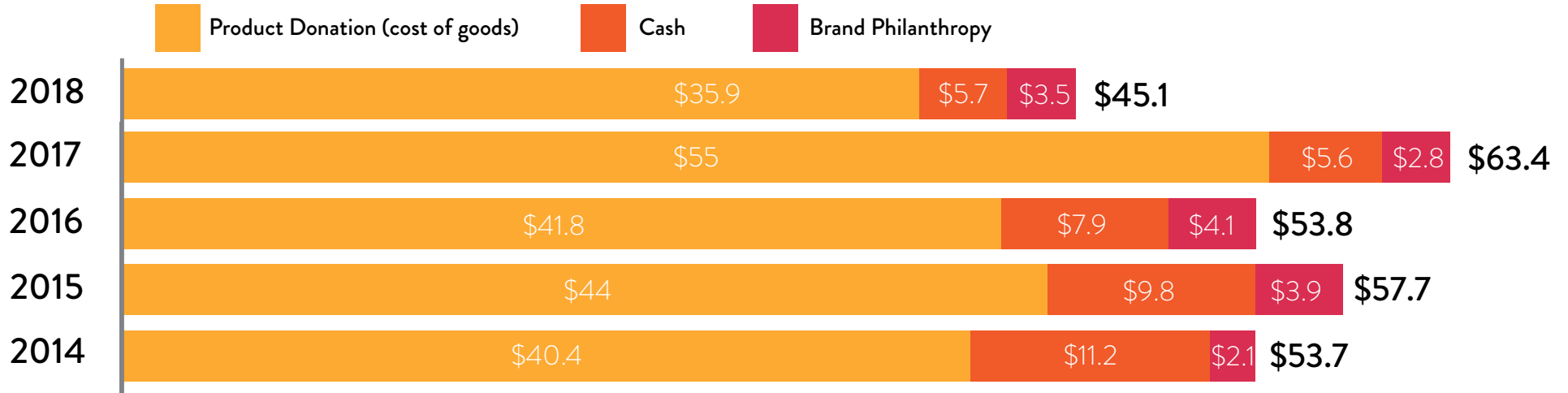
Engage 300 million people around the issue of hunger relief by the end of 2025

OUR PROGRESS TO DATE:
135.4 million people engaged



Donating CHARITABLY

In the past five years, Kellogg has donated USD\$273.7 million⁹ worldwide. All amounts are in millions of USD.



⁹Our contributions are made through Kellogg Company and its charitable funds.



Kellogg's

Nurturing

• OUR PLANET •

As a premier global food company, and a leading global plant-based food company, we are committed to taking a leading role in addressing food security through the urgent and interrelated issues of accessible and nutritious food, sustainable production and hunger relief. This work starts in the field where farmers take care to cultivate high-quality foods, using responsible and sustainable practices. From 2016–2018, we’ve supported 322,000 farmers (many of whom are smallholders and women), their families and communities by advancing climate-smart agriculture practices that improve yields and livelihoods and climate resiliency while using fewer natural resources.

Our work nurturing our planet contributes to our five priority U.N. SDGs: 2 – Zero Hunger; 5 – Gender Equality; 12 – Responsible Consumption and Production; 13 – Climate Action; 15 – Life on Land and 17 – Partnerships for the Goals.

It also supports a number of additional SDGs that are important to our business, outlined in [Materiality Across our Value Chain](#).



Supporting FARMERS

Kellogg works closely with our supplier partners, farmer leaders, non-profit organizations and others to bring farmers new techniques, technologies and training to improve yields and quality, optimize inputs like fertilizer and water, and reduce pre- and post-harvest food loss. This work also contributes to our commitment to responsibly source our 10 priority ingredients as we make foods that support the wellbeing of individuals, communities and our planet.



IMPROVING LIVELIHOODS WHILE REDUCING ENVIRONMENTAL IMPACT IN INDIA

In the central India state of Madhya Pradesh, Kellogg and [TechnoServe](#) partnered on a two-and-a-half year, three-phase program to help smallholder farmers improve their livelihoods and resilience to climate change. More than 12,000 farmers received training on three key aspects of climate-smart agriculture: farm productivity, farm resilience and impact of the farm on the environment. Sixty-four percent of the farmers were men who received agronomy training and 36 percent were women who received training in organic kitchen gardening.

Over the course of the project, farmers adopted best practices including soil testing, seed germination and use of organic fertilizers that reduced their cost of operations and increased productivity. Sustainable farm revenue increased by more than 20 percent in the first two phases and by more than 40 percent in the third phase of the project.

The organic kitchen gardens continue to improve the overall nutrition of Madhya Pradesh, with 97 percent of families now consuming vegetables at least twice a day. One-third of the female farmers also started earning extra income by selling their surplus organic vegetables.

The project also promoted collective marketing through Farmer Producer Companies (FPC) formed by farmers that share profits and benefits among the membership. By building the capacity of local farmers, the FPCs are now well-run, sustainable operations with established, value-added supply chains for their wheat, maize, chickpea, soybean and jaggery crops. In less than three years, the program created more than USD\$4.7 million in incremental, replicable financial benefit to the more than 12,000 participating farmers.



INTRODUCING SUSTANABLE PRACTICES IN MEXICO

In Mexico, Kellogg's Corn Flakes® and Kellogg's Zucaritas® cereals are best-selling favorites. To make these popular maize-based foods more environmentally sustainable, Kellogg Latin America continues to partner with the [Centro Internacional de Mejoramiento de Maiz y Trigo](#) (the International Maize and Wheat Improvement Center) and agricultural services company [Grupo SACSA](#) to train farm advisors who help small- and medium-sized farmers increase their yields while also sustainably growing the yellow maize used by Kellogg in Mexico. In 2018, this initiative reached more than 270 growers farming 3,736 hectares.



Improve sustainable agriculture by enabling 500,000 farmers to use climate-smart agriculture practices and reduce post-harvest loss by the end of 2025

OUR PROGRESS TO DATE:

322,000 Farmers



IMPROVING SOIL HEALTH AND BIODIVERSITY

Our commitment to nurturing our planet starts in the field, with the farmers who grow our ingredients. However, there is another integral component to this equation – the health of the soil where our ingredients are grown. By improving soil health and optimizing inputs like fertilizer and pesticides, we also improve water quality, biodiversity, increase climate resiliency and reduce greenhouse gas emissions. For this reason, Kellogg has a number of [projects](#) around the world devoted to addressing soil health and input optimization.



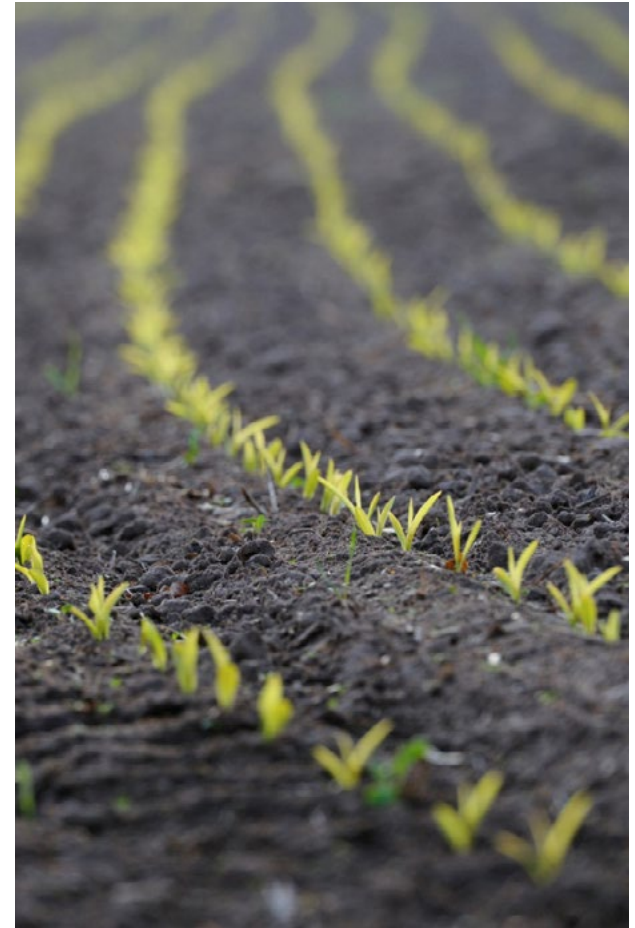
Most recently we partnered with the Spain-based [Institute of Agri-food Research and Technology](#) (IRTA) on a study on measures to increase biodiversity in the rice growing area of Delta Del Ebro, thus increasing the sustainability of rice farming in the region.

All told, Kellogg soil health projects around the world are advancing best practices across more than 176,000 hectares.

NURTURING OUR PLANET THROUGH PURPOSE-DRIVEN BRANDS

In 2018, several Kellogg brands launched efforts that either helped nurture our planet or better connect people to our foods.

- In Europe, boxes of *Kellogg's Corn Flakes*® featured the brand's first-ever sustainability on-pack message "[Responsibly Sourced Corn](#)", following a thorough third-party audit of the brand's supply chain to ensure that it complies with environmental, social and governance criteria in partnership with a pilot program with [DACSA Group](#), a leading European miller.



- In the U.S., in partnership with [The Nature Conservancy](#), Kellogg is providing sustainable agriculture support to the farmers in parts of the country where ingredients are grown for many of our cereals. In early 2019, Kellogg's Raisin Bran® and Kellogg's Frosted Mini-Wheats® began featuring on-pack information about the partnership in stores nationwide.



- Also in the U.S., a successful joint retail promotion with [Walmart](#) and members of the [Midwest Row Crop Collaborative](#), including Kellogg's Frosted Mini-Wheats®, supported [FFA's](#) work teaching conservation to the next generation of farmers in Illinois, Iowa and Nebraska. Specially marked in-store displays were featured in 240 Walmart stores to drive awareness of the program.



- In Australia, boxes of Kellogg's Corn Flakes® proudly bear the message "Australian Made from Aussie Corn;" a first step in educating people about where their food comes from and how Kellogg partners with farmers where we make and sell our foods.



Responsibly Sourcing OUR PRIORITY INGREDIENTS

To ensure that we are responsibly sourcing our priority ingredients, we actively engage suppliers and farmers in our direct supply chain. These farmers grow and nurture the grains and other ingredients we use to make many of the delicious Kellogg foods people around the world regularly enjoy. From seed planting to harvest and storage, these farmers take great pride and care in their work. This is especially challenging in some regions where farmers may lack access to the resources they need to achieve their full potential.

To achieve these results, more than 60 priority ingredient suppliers are engaged in measuring continuous improvements or investment in improved livelihoods in sourcing communities.

Following is the progress we've made against our 2020 goal to responsibly source our 10 priority ingredients, including corn, wheat, rice, potatoes, sugar beet, sugar cane, fruits, palm oil, vanilla and cocoa.

Progress Toward Responsible Sourcing Through Continuous Improvement and Direct Investment



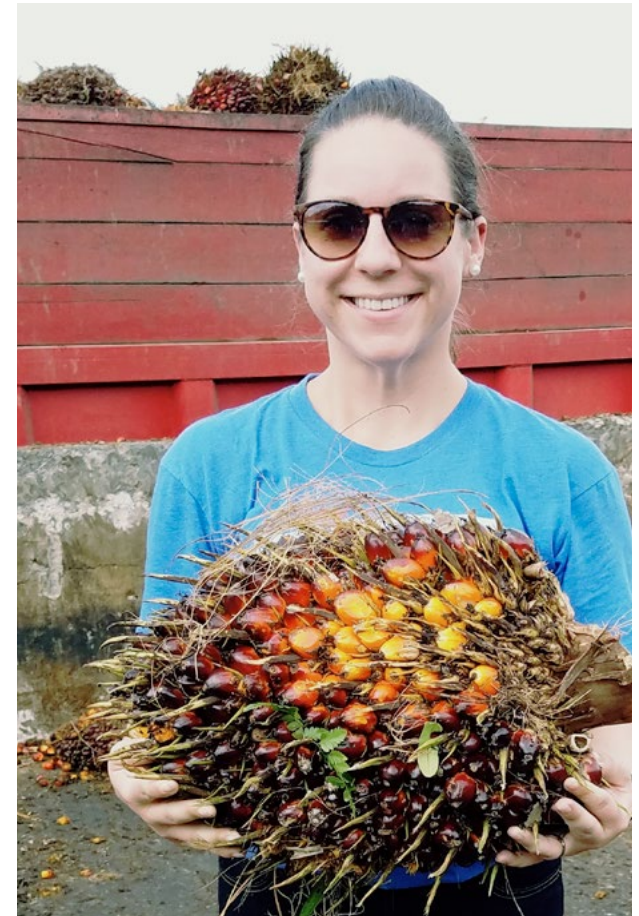
In March 2019, *Morningstar Farms*® announced aspirations to be 100 percent plant-based by 2021, removing more than 260 million eggs annually from its foods. This goal contributes to Kellogg Company's existing commitment to only source eggs from cage-free systems by 2025 globally under its [Animal Welfare Commitment](#).

Learn more about our responsible sourcing programs and materiality assessment, as well as examples of our progress [here](#).



RESPONSIBLY SOURCING PALM OIL

Although Kellogg uses a very small amount of palm oil globally, we have been working since 2009 to improve the sustainability of our palm oil supply chain. Recently, the [World Wildlife Fund](#) gave Kellogg a 9 out of 9 for sustainable palm oil production, identifying us an industry leader in this effort.



All of the palm oil we use globally is sourced through a combination of the [Roundtable on Sustainable Palm Oil](#) (RSPO) Certified Segregated supply chain, RSPO Mass Balance mixed-source supply chain and the purchase of RSPO Credits. Kellogg continues to engage with suppliers, stakeholders, peers and industry groups to support efforts to reform and improve identified issues within the palm oil industry. Key to this work is our support of collaborative capacity-building efforts for continuous

improvements. Again in 2018, [CDP](#) gave Kellogg an A- for the last three years for its work ensuring and sourcing sustainable palm oil.

Since 2015, Kellogg has partnered with [Proforest](#) to engage our Tier One global palm suppliers in a bi-annual survey to measure traceability, transparency and policy adherence. Currently, 97 percent of the palm oil we use globally is traceable to the mill, and 39 percent is traceable to the specific plantation.

To achieve our palm oil responsible sourcing goals, Kellogg is a member of the [RSPO Human Rights Working Group](#), the [Consumer Goods Forum Palm Oil Task Force](#), and a founding member of the [North American Sustainable Palm Oil Network](#). More details, including disclosure of all our palm oil suppliers, sourcing mill locations and supplier engagement, are available in our [Global Sustainable Palm Oil Milestones](#).



SOURCING POTATO FLAKES IN BANGLADESH

As one of the poorest countries in the world, Bangladesh has numerous political, economic, social and environmental challenges. However, Bangladesh is the third largest producer of potatoes in Asia, and potatoes are the second largest agricultural crop in Bangladesh. Since 2014, Kellogg has been working with SEBA Limited to help smallholders improve potato farming methods that increase yields and boost incomes. Today, these farmers' crop yields are 25 to 100 percent higher, and they have a steady source of income since Kellogg has begun purchasing their potatoes for our *Pringles*® plant in Asia.



IMPROVING CONDITIONS FOR SUGAR CANE WORKERS IN MEXICO

Kellogg Latin America is taking part in an industry group project to improve cane cutter working conditions in the Veracruz region of Mexico through improvements to water, rest and shade. We have partnered with peer companies, industry-group [AIM-Progress](#) and the [La Gloria](#) sugar refining mill, along with implementation coordinators ABC Mexico and [Kualitoo](#), to build field shade shelter tents, increase access to potable water, provide additional protective equipment and facilitate training for workers to learn best practices.



PROTECTING POLLINATOR HEALTH

Kellogg helps improve habitats and protect honeybees and other pollinators from harmful exposure to pesticides by encouraging practices such as cover crops. Cover cropping involves growing plants to cover the soil on farmland between the harvest and sowing the next crop to help prevent soil erosion, improve soil structure, increase organic matter, and suppress weeds and pests without application of chemicals.

SUPPORTING COCOA FARMERS IN ECUADOR AND GHANA

Kellogg is working with all of our cocoa suppliers to ensure they are addressing the human rights and production risks associated with the cocoa supply chain. Specifically in Ecuador, we are partnering with [Olam](#) to provide training and materials for 3,000 farmers at farmer field schools. Olam's expert farmer trainers are building nurseries that are used during the field schools to demonstrate best practices. Respecting cultural norms, a number of the field schools are exclusively for women farmers. Once the field schools are complete, Olam will monitor the management of the nurseries that will be used as demonstration sites for other farmers in the area.

In Ghana, our ongoing support of the [CocoaCloud](#) that provides critical information such as weather forecasts and location-specific agricultural advice has helped extend the service that supports climate-smart agriculture decisions to 7500 cocoa farmers, extension advisors and community members. In partnership with the [World Business Council for Sustainable Development](#) and others, our goal is to reach one million farmers in Ghana and Côte D'Ivoire by 2024.



Conserving NATURAL RESOURCES

Kellogg is respecting the limits of our planet by conserving natural resources where we source and make our foods. We continue making progress against our end of 2020 natural resource conservation commitments and also announced next-generation Kellogg's® Better Days commitment (see page 5), aligned with the U.N. SDGs and our own science-based targets.



REDUCING GREENHOUSE EMISSIONS AND ENERGY USE

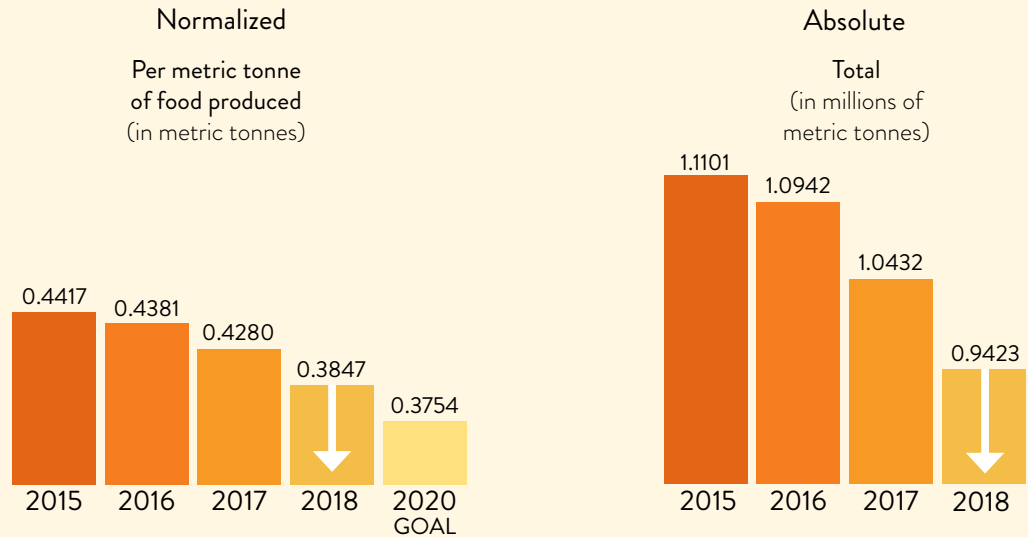
We know that food insecurity and livelihood vulnerability are exacerbated by climate change. That's why we're working to reduce our emissions and improve climate resiliency within our own operations and across our supply chain. In 2015, Kellogg was one of the first companies to set an approved [2°C science-based target](#) for reducing greenhouse emissions.

So far, we've reduced Scope 1 and Scope 2 emissions in our operations by 9.5 percent toward our goal

ENVIRONMENTAL DATA

This data includes *Parati Group*, which was not included in our 2016/2017 Corporate Responsibility Report.

GHG EMISSIONS



of a 65 percent reduction by 2050. We have also engaged 80 percent of our direct suppliers to report their emissions, with the goal of reducing our Scope 3 emissions by 50 percent by 2050.

In 2018, we reduced our energy use by 7.7 percent and our greenhouse gas emissions by 10.1 percent from 2017. So far, we've reduced energy use by 9.4 percent and greenhouse gas emissions by 12.9 percent toward our end of 2020 commitments to reduce energy use and greenhouse emissions, respectively, by 15 percent (from a 2015 baseline). While we are proud of our progress to date, our ability to reduce greenhouse emissions and energy use have been

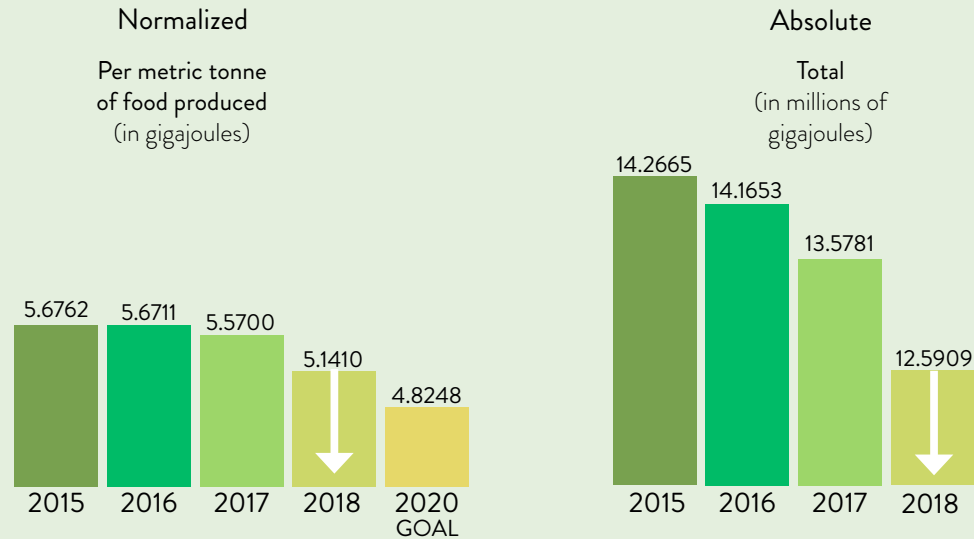
slower than expected. This is a result of several factors, including impacts from climate change. For example, droughts have limited clean hydropower output, and lower oil and gas prices encourage utilities to use more fossil fuels in some markets. Additionally, as our company continues to follow our Deploy for Growth Strategy, we look for opportunities to optimize our production network, which means that more energy is needed to produce food for our changing portfolio. This is compounded by changes in consumer behavior, including our investment in emerging markets, where people are selecting more small-size, on-the-go foods packaged for immediate consumption.



ENVIRONMENTAL DATA

This data includes *Parati Group*, which was not included in our 2016/2017 Corporate Responsibility Report.

ENERGY USE



Kellogg annually reports its environmental data to the [CDP](#) for assessment and rating. Our 2018 performance is summarized below. Our full CDP rating can be accessed [here](#).



Climate Change	B
Forests - Palm oil	A-
Timber	B
Soy	B
Water	B
Supply Chain	A Supplier Engagement Leaderboard

One way we are delivering reductions in greenhouse emissions is through our commitment to source 100 percent renewable electricity by 2050, in partnership with [RE100](#). In 2018, 23 percent of the electricity used in our facilities came from renewable sources, and we have secured more renewable electricity than ever before. Our work began with a global renewable energy assessment with a third-party to determine the technical and financial feasibility of renewable power in each of our markets. This information informed partnerships with local utilities and non-profit partners, allowing us to make great strides across the globe.

- Across our European operations, 100 percent of the electricity we used in 2018 was renewable.

- In North America, we are purchasing renewable electricity at numerous locations, including the Battle Creek, Michigan plant in our global headquarters city.
- Our plant in Taloja, India is our first plant to install solar panels, which are already delivering 10 percent of the facility's power requirements.
- In Botany, Australia, we introduced smart technology – including artificial intelligence – to best manage natural resources.
- In 2019, three of our facilities in Mexico will begin sourcing green electricity for 90 percent of their power.



REDUCING WATER USE

As outlined by the United Nations, [water is a human right](#) and one that is under intense pressure globally as water scarcity, urbanization and population growth further stress this resource. At Kellogg, we are working to reduce our water use worldwide, in our business and the communities where we source ingredients and make our foods.

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 assessment classified 37 percent of our facilities as “high risk.” We’re taking unique actions in these sites to reduce our use of water and address these risks.



- Our plant in Mexicali, Mexico has reused 100 percent of its wastewater since 2015.
- In Omaha, Nebraska, U.S., we’re reusing condensate and recirculating chilled water to reduce our use of city water.
- By installing 40 water meters in the facility, our Botany, Australia plant has halved its water use in the past two years. The meters also quickly highlight issues such as leaking valves that might otherwise not have been noticed as quickly.
- Improvements in the manufacturing process to reuse cooling water allowed our Wrexham, U.K. facility to save four million litres of water in 2018. This contributed to an overall 5 percent reduction in water use in 2018.

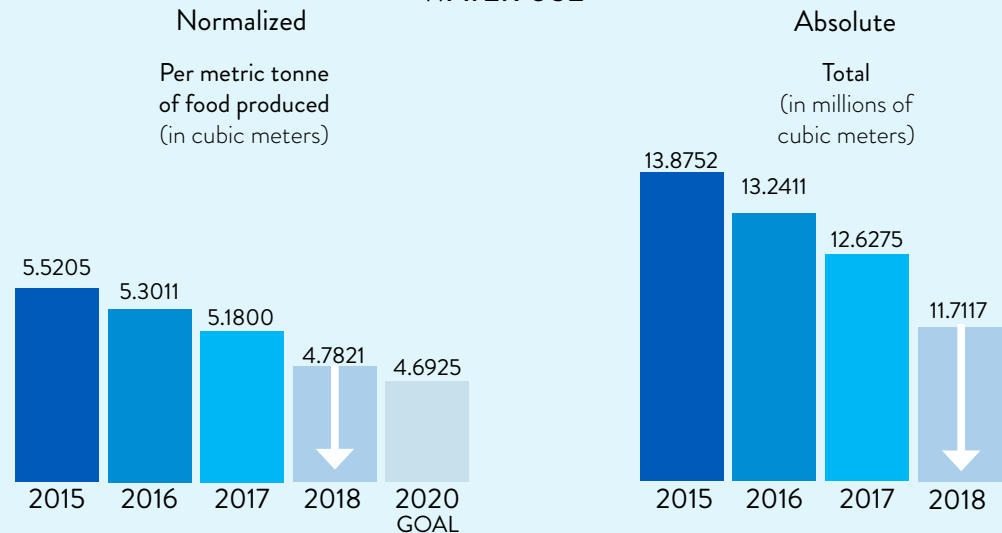
- Across our operations, we’re improving our processes and modifying equipment to further reduce our water use.

We’re also making progress across all of our facilities and anticipate that we will meet our end of 2020 commitments to reduce our global water use by 15 percent (from a 2015 baseline), and to implement water reuse projects in 25 percent of our plants. In 2018, we reduced water use by 7.7 percent from 2017, and so far we have reduced global water use by 13.4 percent (from a 2015 baseline). Nine of our facilities reduced their water use by 20 percent or more. We have also completed water reuse projects at 14 percent of our plants.

ENVIRONMENTAL DATA

This data includes *Parati Group*, which was not included in our 2016/2017 Corporate Responsibility Report.

WATER USE



REDUCING WASTE

We take a holistic view of waste across our value chain. In 2018, we focused on three main areas:

- Total waste in our operations;
- Food loss and organic waste, including food waste, in our operations and supply chain; and,
- Packaging used for our foods.

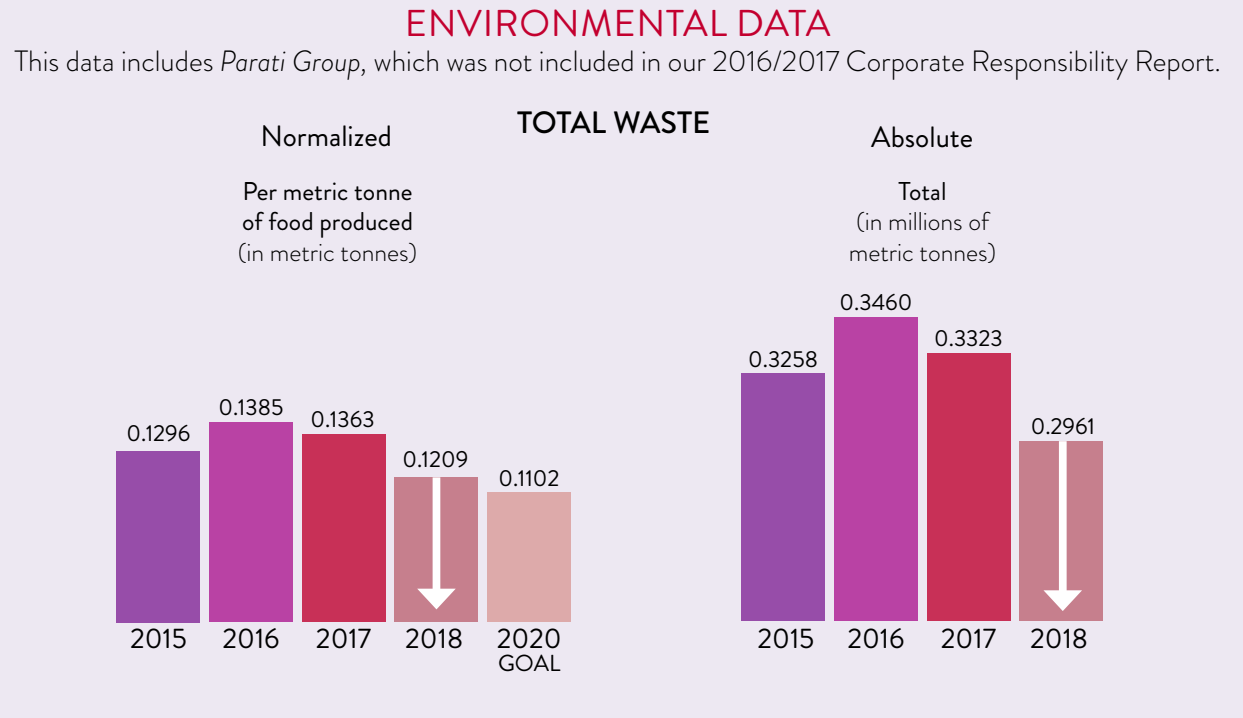
Impacting total waste

In our operations, we work to reduce total waste, ensuring re-use, recycling and other approaches to avoid sending waste to landfill. Our goal is to continue to reduce total waste by 15 percent (from a 2015 baseline) by the end of 2020. While we reduced our total waste by 11.3 percent in 2018, overall we have reduced total waste by 6.7 percent from the 2015 baseline through numerous initiatives:

- In April, the company announced the transition to compostable and paper foodservice products in all of our facilities, eliminating all remaining single-use foam and plastic serviceware, straws and water bottles globally by the end of 2018.

Focusing on food loss and organic waste

In 2018, the [Food and Agriculture Organization of the United Nations](#) (UNFAO) reported that [world hunger continues to rise](#). Yet, according to the [World Food Programme](#), the world produces enough food for everyone. Part of the answer to helping the one in nine people who suffer from hunger and malnutrition is to drastically reduce food loss and waste.



Along our value chain – primarily on farms, in our own operations and with people – Kellogg is reducing food loss and organic waste, which includes things like food waste and animal feed¹⁰, to ensure that food grown and made goes to feeding people, whenever possible. Doing so is one of the most important levers to solve the issue of food insecurity brought on by our growing population, climate vulnerability and malnutrition.

In 2016, Kellogg was one of the first companies to join a group of global leaders from government, business, research and farming communities committed to working together to meaningfully reduce food loss and waste by 2030. This group, [Champions 12.3](#), is named for U.N. SDG target 12.3 that calls for “cutting in

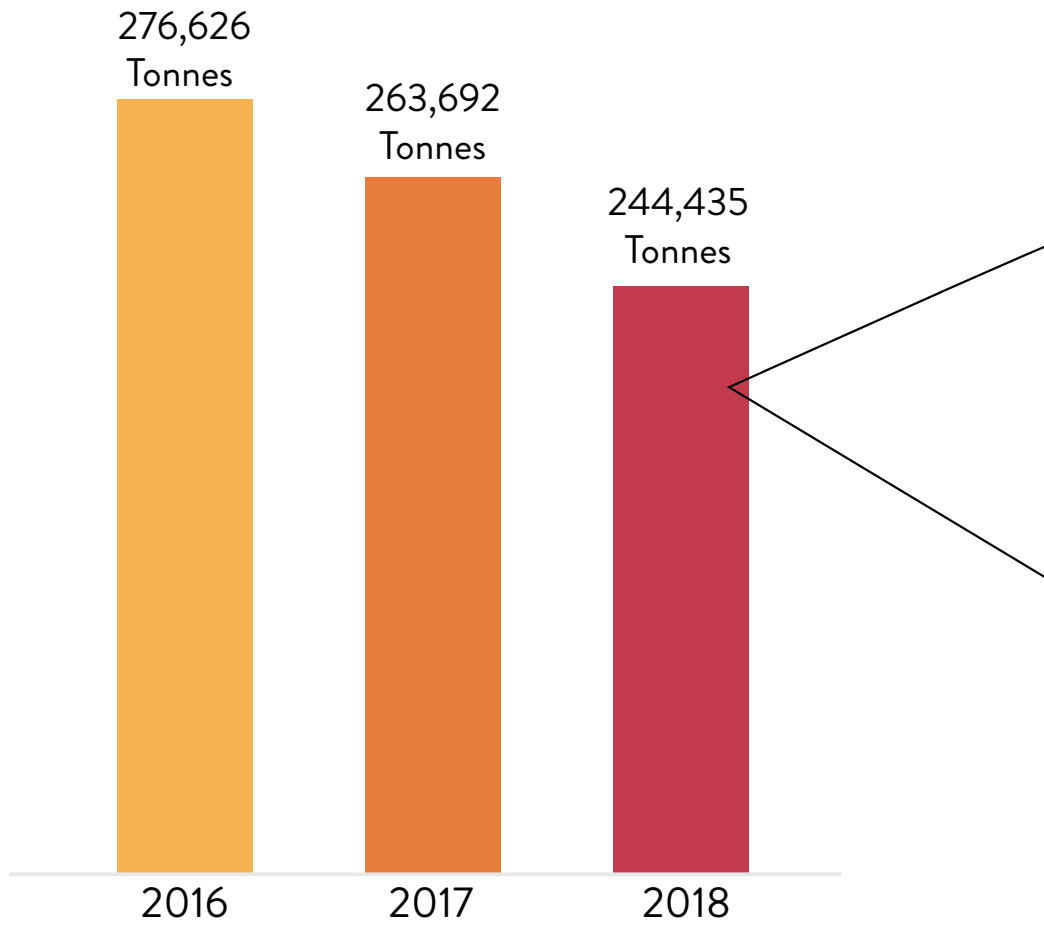
half per capita global food waste at the retail and consumer level, and reducing food losses along production and supply chains (including post-harvest losses) by 2030.”

The same year, Kellogg was an early adopter of the [World Resource Institute Food Loss and Waste Accounting and Reporting Standard](#) and was one of the first companies to report global food waste data by destination. In 2018, we achieved an overall 2.6 percent reduction in food waste within our manufacturing operations, as measured by this standard.

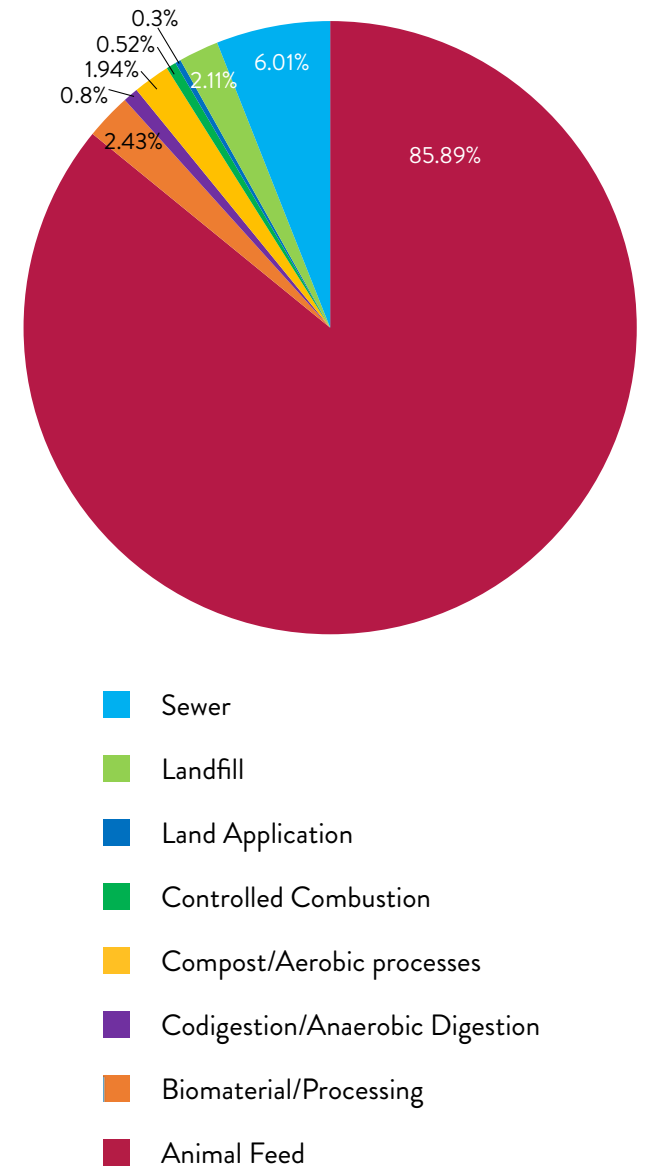


¹⁰ Kellogg has adopted the Consumer Goods Forum's definition of food waste: food and/or associated inedible parts removed from the food supply chain and sent to disposal (landfill, draining or incineration without energy recovery).

TOTAL FOOD WASTE



KELLOGG FOOD WASTE BY DESTINATION 2018



From 2016 to present, we had a **12%** reduction in food waste in our manufacturing plants

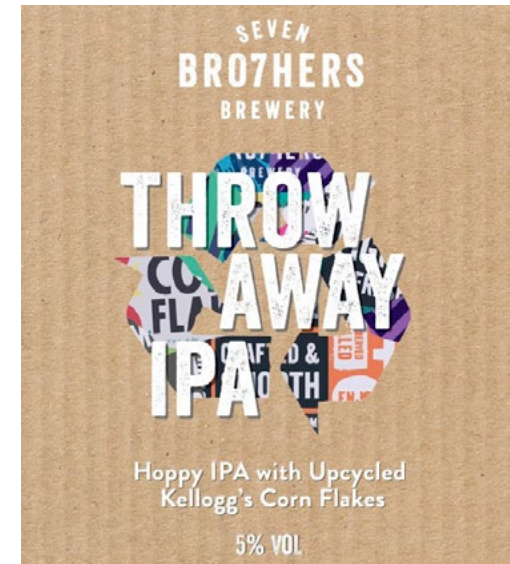


Following are some of the ways we've successfully reduced food loss and organic waste across our value chain:

- In Mexico, Kellogg partnered with the [Mexico Food Bank Network](#) to rescue fruits and vegetables from agricultural lands to provide people with more than 35 million servings of fresh fruits and vegetables that were at risk of being lost but able to be consumed.
- In the U.S., we're making a concerted effort to use "perfectly imperfect" apples, strawberries and other fruits in the filling for several foods, including Kellogg's Nutri-Grain® bars and Pop-Tarts®. Although not the first choice for supermarket shoppers, these fruits are every bit as wholesome and delicious.
- Around the world, we also donate foods that are acceptable to eat but not able to be sold due to underweight quantities and less-than-perfect packaging.



- In the U.K., we have piloted an innovative use for imperfect Kellogg's Corn Flakes® from our Manchester facility. The flakes that are too big, too small or overcooked go to [Seven Bro7hers Brewery](#) for their "Throw Away IPA." The cereal flakes replace some of the wheat grain in the beer mix.



- In the U.S., we're continuing to standardize our labels to "BEST if used by," to help people understand how to best reduce food waste. This work will be complete by January 1, 2020.
- Globally, we continue to move to resealable packaging that also helps reduce food waste.
- In Europe, we conducted a study on food waste at breakfast in Italy and Spain to help people understand how to reduce food waste at home.
- In all of our facilities, we've prioritized improving production processes and modifying equipment to reduced food waste.



Improving the sustainability of our packaging



The way our foods are packaged ensures their safety, freshness and great taste. We must also consider the impact of our packaging on the environment. These dual considerations have influenced our company's packaging since our founding in 1906 when our cereal boxes were introduced with recycled content.

Today, as part of our zero-deforestation pledge, 97 percent of our timber-based packaging comes from either recycled or certified-sustainable content. In 2018, 65 percent of these materials were from recycled content and the remainder from verified sustainable sources. What we couldn't fathom in 1906 was the impact of plastic packaging. According to a 2016 report¹¹ by the [Ellen MacArthur Foundation](#) (EMF), 311 million tonnes of plastic is produced each year and 8 million tonnes of this plastic enters our oceans. Of the plastic packaging produced, just 14 percent is collected for recycling globally and only five percent is retained for secondary use. We need to rethink the way we make, use and reuse plastics.

That's why, in 2018, Kellogg announced the expansion of its Global Sustainability Commitments to include a goal of working toward 100 percent reusable, recyclable or compostable packaging by the end of 2025. Already, this commitment is changing the way we are working as we progress toward these goals:

- In Europe, we've launched a project to move cereal pouches to a recycle-ready material by late 2019, saving approximately 480 tonnes of non-recyclable packaging from our supply chain each year.
- Also in the U.K., *Pringles*® has launched a partnership with [TerraCycle](#) to collect and recycle its cans.
- Kellogg India is piloting an innovative project with waste management company [Nepra Environmental Solutions](#) in Pune, Maharashtra to



develop a formal system to collect and sustainably dispose of multilayer plastic (MLP) waste. Nepra purchases MLP from the local waste-sorting workers and turns it into refuse-derived fuel that local cement kilns use instead of coal to fire their kilns.

- To encourage recycling of cereal bags in Australia, Kellogg began including the [Redcycle](#) logo on its packs. By visiting the Redcycle website, people can easily find the location of their nearest drop-off location.
- *MorningStar Farms*® veggie foods reduced its overall packaging material weight 38 percent by moving to re-sealable bags. As an added benefit, the bags help fight freezer burn, thereby reducing food waste.

Our Global Goal

100% Reusable
Recyclable *or*
Compostable
Packaging by 2025



¹¹Ellen MacArthur Foundation, The New Plastics Economy: Rethinking the Future of Plastics & Catalysing Action, 2016



Living

• OUR FOUNDER'S VALUES •

It all started in 1906, when W.K. Kellogg founded our company to provide a healthier breakfast option. Mr. Kellogg set out to change the way people ate breakfast ... and he ended up changing the world. He wasn't only a brilliant business person, he was also one of the world's early conservationists and a leading philanthropist. Mr. Kellogg instilled in our company the [K Values™](#) that continue to inspire us today.

Our dedication to living our founder's values contribute to our five priority U.N. SDGs: 2 – Zero Hunger; 5 – Gender Equality; 12 – Responsible Consumption and Production; 13 – Climate Action; and 17 – Partnerships for the Goals. Our work also support a number of additional SDGs that are important to our business, outlined in [Materiality Across our Value Chain](#).



Our founder, W.K. Kellogg, instilled in our company the values that continue to inspire us today.

- We act with integrity and show respect.
- We are all accountable.
- We are passionate about our business, our brands and our foods.
- We have the humility and hunger to learn.
- We strive for simplicity.
- We love success.

Operating ETHICALLY

Just as people want to know what's in our foods and how they're made, they are just as interested in how we treat our employees and care for our communities. At Kellogg, we live our values and communicate with transparency in order to earn a seat at millions of tables around the world. It's a responsibility we don't take lightly. Kellogg has always been committed to operating ethically and it is something we will continue to prioritize going forward.

To this end, Kellogg participates in a number of benchmarking surveys and studies and is proud to have again been named to the [FTSE4Good](#), [Dow Jones Sustainability Index](#), [Corporate Human Rights Benchmark](#), and others.

We climbed the ranks in a number of global reputational polls in 2018 and early 2019, including:



(up 219 spots to #13)



(up 9 spots to #33)



(for 11 of the past 12 years)



(for 11 of the past 13 years)



Our [Global Code of Ethics](#) details our commitment to operating ethically and transparently. Employees continue to receive annual training on the Code that addresses anti-corruption, anti-competitive behavior, data protection and human rights. Employees, suppliers, partners or anyone else with an ethical concern is encouraged to contact our confidential [Ethics Alertline](#) either online or via phone.

We also have in place a robust system of controls to protect our company's information, as well as customer and consumer data, from potential cybersecurity attacks. We prioritize making the necessary investments, continually advancing our information technology capabilities to vigilantly safeguard our business.



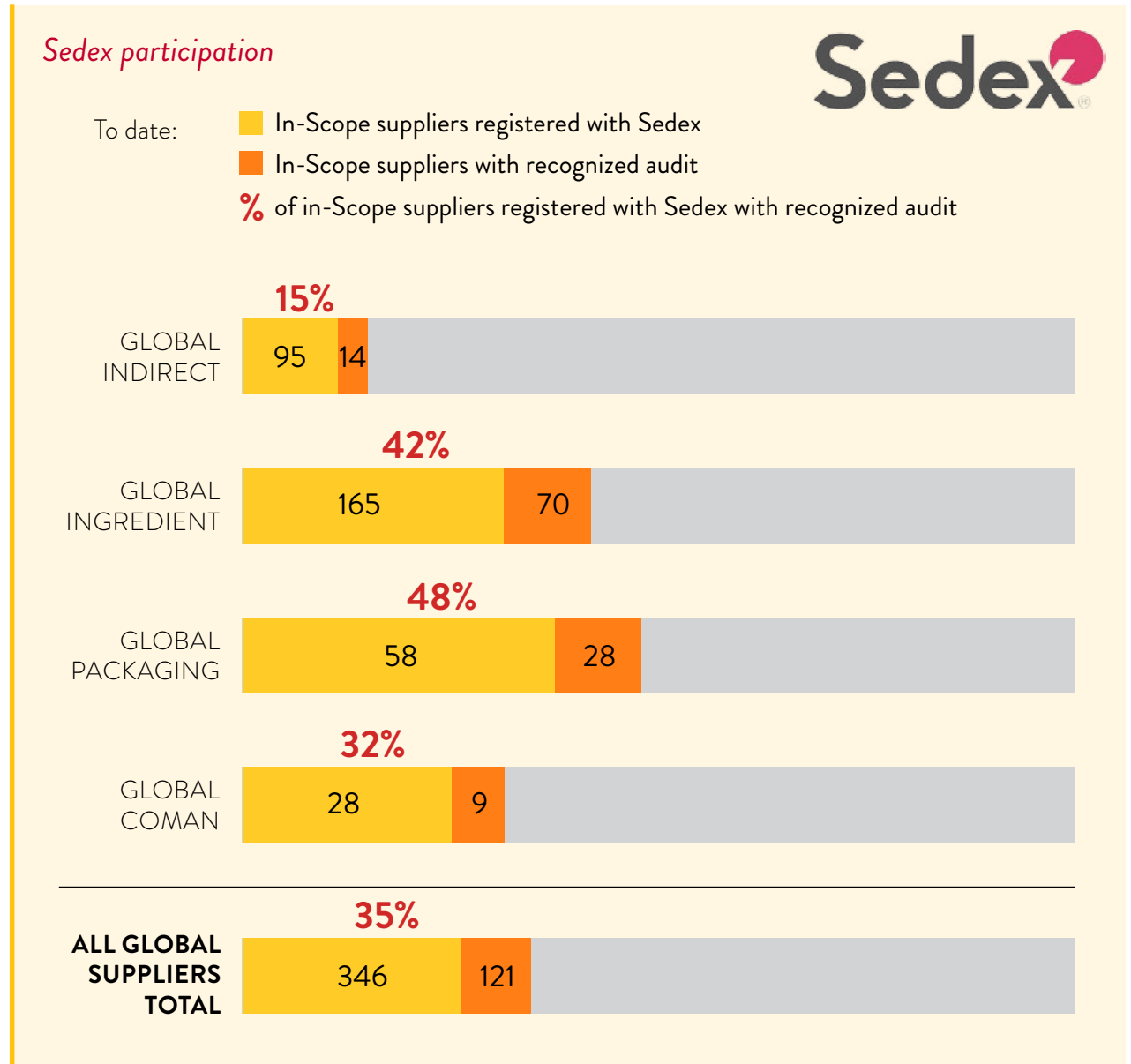
PARTNERING WITH OUR SUPPLIERS

We collaborate with our supplier partners – including flour mills, labor providers, engineering firms and marketing agencies – to improve the social and environmental sustainability of their operations. Additionally, our [Global Supplier Code of Conduct](#) requires supplier partners to support our corporate responsibility commitments by continuously improving environmental and social indicators within their operations and throughout their supply chains, and to report annually on their progress. For example:

- As a founding member of [CDP](#), we have been working with our suppliers on climate action for the last decade. In 2019, Kellogg was named to the CDP Supplier Engagement Leaderboard for the second consecutive year and received an A rating for Supply Chain in recognition of our efforts around this important issue.
- Following a 2015 study we conducted with several partners about gender roles in the cocoa value chain in Cote d'Ivoire, Kellogg and [CARE](#) developed an assessment tool to help cocoa suppliers evaluate their awareness of and practices toward supporting gender equity on farms, in cooperatives and within their own operations. Kellogg suppliers are encouraged to incorporate the assessment tool into sustainability programs and sourcing practices to drive improvements in gender equity within the cocoa supply chain.



- We also expect the top 80 percent (by spend) of our ingredient and packaging suppliers in each region to join [Sedex](#), the largest collaborative platform for sharing ethical supply chain data.



Protecting HUMAN RIGHTS

Our commitment to respecting and protecting the rights of those affected directly and indirectly by our operations is outlined in our [Human Rights Position Statement](#) and our [Policy Statement Prohibiting Involuntary Labor](#). We also publish an [annual progress report](#) that documents our milestones and actions that meet regulatory reporting requirements, including those of the U.K. Modern Slavery Act.

In 2018, Kellogg ranked #8 across all industries on the global [Corporate Human Rights Benchmark](#) that evaluates companies' human rights policies, processes and practices. We also ranked #2 in the food and beverage category on the [Know the Chain](#) assessment that evaluates actions companies are taking to eradicate forced labor from their supply chains.

ACROSS OUR SUPPLY CHAIN

Protecting human rights is a priority at Kellogg. Our cross-functional team of leaders continues to meet monthly to review our monitoring and verification processes. We also use Sedex self-assessments and third-party audits to monitor our suppliers, and complete Sedex self-assessments for our own manufacturing facilities.

Kellogg is also on the [AIM-PROGRESS Leadership Team](#), co-leading the human rights workstream and actively engaged with the [Consumer Goods Forum \(CGF\) Social Sustainability Committee](#).

WITHIN OUR OPERATIONS

Our commitment to human rights extends across our own operations as well. We strive to be a preferred employer and to ensure the safety and wellbeing of our employees.

Our [K Values](#)™ shape our culture and guide the way we run our business. They are at the core of who we are, what we believe and what brings us together as a global team. They help to define what makes our company and our people special, and how we all play a unique and critical part in the ongoing success of our business.

Safety first

Employee safety is addressed in our [K Values](#)™. We “embrace the belief that all injuries are preventable and that achieving a healthy and safe environment starts with ‘me.’” We are proud that our global Total Recordable Incident Rate (TRIR) dropped 26 percent to 0.57 and our global Lost Time Incident Rate (LTIR) dropped 14 percent to 0.30. Both rates are the lowest in our company's history and significantly below the U.S. Bureau of Labor Statistics industry benchmarks of 4.7 and 1.3, respectively.

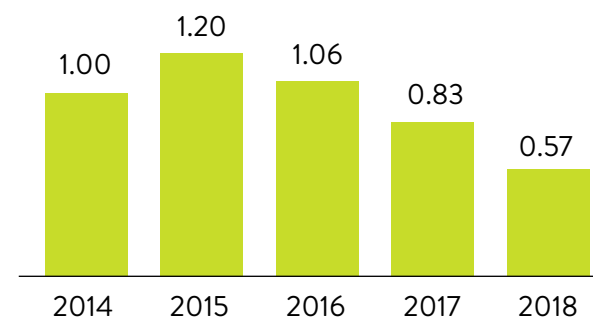
In 2018, we put special emphasis on enhanced training to further reduce hand and finger injuries across our manufacturing facilities. As a result, hand injuries were reduced by 48 percent globally.

Our manufacturing facility in Linares, Mexico received the [Empresa Segura](#) (Safe Company) certification for meeting stringent requirements for legal compliance, management systems, employee participation and safety performance. Additionally,

our Cary, North Carolina facility received [Voluntary Protection Programs](#) (VPP) recertification from the U.S. Occupational Safety and Health Administration for effective safety and health management systems and injury and illness rates below U.S. Bureau of Labor Statistics averages. Finally, the U.S.-based [National Safety Council](#) – of which we have been a member since 1948 – honored Kellogg with its Driver Safety Program Award for the defensive driving program we provided for our Sales team.

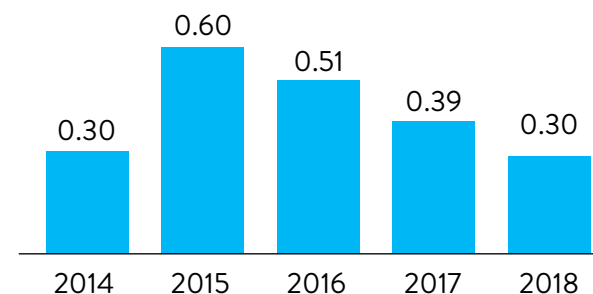
Total Recordable Incident Rate

TRIR industry average = 4.7



Lost Time Incident Rate

LTIR industry average = 1.3



Investing in people

Our founder, W.K. Kellogg said, “I’ll invest my money in people.” More than 100 years later, we continue to put people first. For our employees, this dedication to people means that we offer competitive benefits and rewards packages around the world, and an environment where success is celebrated.

As we advance our Deploy for Growth Strategy, it is imperative that our employees exhibit the skills and behaviors needed to ensure our company’s continued success. To clearly convey these expectations, we recently introduced eight new [Growth Competencies](#), six for all employees and two more for people managers. The Growth Competencies complement employees’ existing functional and technical competencies and are grounded in our [K Values™](#).



For all employees they include having courage, building effective teams, being nimble learners, having a strategic mindset, driving results and focusing on the customer. Additionally, people managers are expected to develop talent and drive engagement. To support our employees in building their skills and careers, Kellogg strives to create an aspirational learning culture. In 2018, we launched the [LinkedIn Learning](#) platform of on-demand, online video courses covering a great variety of professional and personal development topics. Just six months into the launch, Kellogg salaried employees have completed 6,400 courses on the LinkedIn Learning platform. They are using the platform to up-skill in real-time, immediately improving themselves and our business.

Providing training and development in manufacturing facilities is always a challenge, given the nature of



the work and working hours. To support the career development of these employees, our Kellogg North America Supply Chain team has developed two unique training programs based on the specific needs of the operations community.

- Front-line leaders now have a standard 30-day onboarding program and additional training in team building; and,
- Talent Builders is a monthly career development conference call open to all salaried employees to help them plan and build their Kellogg careers.



Embracing DIVERSITY AND INCLUSION

In 2018 and early 2019, Kellogg was recognized again for our efforts to build and support a diverse and inclusive culture by several leading organizations:

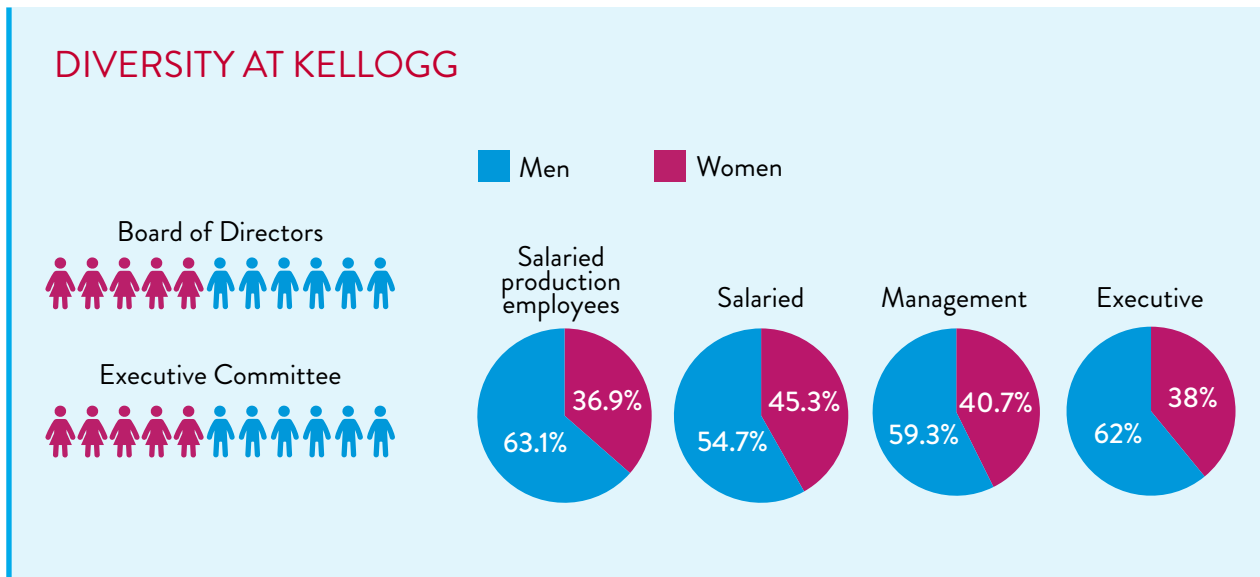


Our annual [Features](#) report provides an in-depth look at our diversity and inclusion initiatives that led to these honors. Across Kellogg North America and elsewhere, our employee-led [Business/Employee Resource Groups](#) also continue to be instrumental in advancing our diverse and inclusive culture.

Important highlights from our diversity and inclusion initiatives in 2018 include:

- The launch of our European Diversity & Inclusion Council, the first of its kind outside of the U.S. The Council was created to bring a consistent and common understanding of diversity and inclusion to our European business. It is working to enhance gender representation, expand diversity education, broaden senior leadership sponsorship and enhance diversity and inclusion-related analytics in decision-making.
- Operationalizing Networking TogetherHER, Mexico's first network of companies from different sectors working together to promote gender equality by sharing best practices, bringing external perspectives and collaborating. The Women of Kellogg Latin America created Networking TogetherHER in late 2017. By the end of 2018, it included more than 35 companies from the food, financial, energy, manufacturing and services sectors that meet every two months.

We continue advancing our diversity and inclusion commitments as a signatory to the [CEO Action for Diversity and Inclusion](#) and [U.N. Women's Empowerment Principles](#).



INTERNATIONAL WOMEN'S DAY



International Women's Day

Global studies show that having at least 30 percent of women in leadership positions adds six percent to a company's net profit margin¹². Women make a positive impact on business, yet gender parity is still more than 200 years away, according to the [World Economic Forum's 2017 Global Gender Gap Report](#).

International Women's Day, March 8, is a global celebration of the social, economic, cultural and political achievements of women. At Kellogg, we are committed to accelerating gender equality to increase female representation across all areas of the business. To inspire conversation and action and to bring further awareness to gender equity, our Women of Kellogg Business/Employee Resource Group recognized [International Women's Day 2018](#) and its *Press for Progress* theme with a [video](#) that showed how Kellogg employees *Press for Progress* around the globe.



SUPPORTING WOMEN LEADERS

We are proud of the recognition and awards we received in 2018 for our commitment to gender parity and advancing women leaders including:

- *WomenInc. Magazine's* List of Most Influential Corporate Directors recognized the five women serving on our Board of Directors: Stephanie Burns, Mary Laschinger, Cynthia Milligan, LaJune Montgomery Tabron and Carolyn Tastad. Monica McGurk, Chief Revenue and eCommerce Officer, Kellogg Company, was also among the individual leaders spotlighted by *WomenInc*;
- National Association of Female Executives' Top Companies for Women Executives;
- Mogul's Top 1,000 Companies with the Strongest Female Leaders;
- Working Mother Diversity Best Practices Leading Inclusion Index Company; and,
- Working Mother Best Companies for Women in India.

Additionally, Kellogg Chairman and CEO Steve Cahillane received a Titan Award from the Women's Foodservice Forum (WFF) for his commitment to driving gender equity and "helping create limitless opportunities for women at Kellogg and in the industry."

In Mexico, Kellogg is helping empower women to play a larger role in their children's wellbeing and create small businesses by supporting [Mexico Tierra y Amaranto A.C.'s](#) work using amaranth to improve nutrition, health and living conditions of rural communities. Mothers whose children receive community meals are taught to grow amaranth in backyard gardens. The amaranth is used by feeding programs to help prevent malnutrition and diabetes, and the mothers can then sell their surplus crop to help support their families.

[Girl Scout Troop 6000](#) serves girls living in New York City homeless shelters. The troop was started in 2017 to give these girls the same experience every Girl Scout receives to "build courage, confidence and character and making the world a better place." A key part of this experience is the annual Girl Scouts Cookie Program that helps fuel girls' entrepreneurial spirits. In 2018, Kellogg turned its Kellogg's® NYC Café over to Troop 6000 and employees volunteered to help with the troop's first-ever cookie sale. Girl Scouts from Troop 6000 set a goal of selling 6,000 boxes of cookies. During the one-week event they sold 32,569 boxes, enough to send every girl in the troop to camp for the first time.



¹² <https://piie.com/publications/working-papers/gender-diversity-profitable-evidence-global-survey>

BUILDING A DIVERSE AND INCLUSIVE SUPPLY CHAIN

For 21 years, Kellogg has had a concerted supplier diversity effort aimed at increasing our annual spend with companies owned by aboriginal people, people with disabilities, those in the LGBTQ community, minorities, veterans and women. Our goal is a supplier community that mirrors the diverse people who enjoy our foods and the communities in which we operate.

In 2018, we were honored to receive the Best of the Decade Award from Minority Business News Magazine for “unwavering commitment to minority business development and inclusion.” More important, we hit an all-time high in our spending with diverse suppliers in North America, investing eight percent of our total spend, or USD\$448 million. We are also encouraging our suppliers to commit to establishing their own supplier diversity programs; already, more than 75 Kellogg North America suppliers have done so.

To learn from other leading companies and to continue to shape supplier diversity initiatives across U.S. businesses, our company’s global and North American procurement leaders also sit on the boards of the [Women’s Business Enterprise National Council](#) and the [Minority Supplier Development Council](#), respectively.

We’re also beginning to [expand our supplier diversity efforts](#) to other Kellogg regions, working with [WE Connect International](#), a global network that connects women-owned businesses to qualified buyers around the world.

SUPPORTING DIVERSITY & INCLUSION THROUGH PURPOSE-DRIVEN BRANDS

Like our company, people also embrace diversity and inclusion, and more fully engage with brands that do the same.

Helping to end bullying

Approximately 21 percent of students ages 12-18 experience bullying, according to the [National Center for Education Statistics](#). Children who are bullied, as well as those who bully others, may have serious, lasting health problems. Committing to the fight against bullying is a natural extension of our belief that we should embrace our individuality and accept others for what makes them unique.



On October 18, millions of people joined [GLAAD](#) to celebrate Spirit Day, the most visible anti-bullying campaign in the world. Kellogg was an official sponsor of Spirit Day 2018, and together with our brands and employees, we took a collective stand against bullying to send a message of solidarity and acceptance to LGBTQ youth:

- Kellogg U.S. created limited edition *All Together* Spirit Day cereal boxes that were available exclusively at Kellogg’s® NYC Cafe. All proceeds from *Kellogg’s All Together Cereal*® were donated to GLAAD.



- Our Kellogg Latin America team also raised awareness of the anti-bullying campaign with employees in Mexico and Brazil.





Kellogg's Rice Krispies Treats® Love Notes for the Blind

In 2018, Kellogg expanded its popular *Rice Krispies Treats*® writable wrappers to include braille stickers. In partnership with our Kapable Business/Employee Resource Group, the brand team recognized that there are more than 62,000 children who are either blind or have low vision in schools across the United States¹³. Partnering with the National Federation of the Blind, we created the first-ever accessible 'Love Notes' in the form of Braille stickers and re-recordable audio boxes on *Rice Krispies Treats*® packages.



Kellogg's Froot Loops® and United Way United to be Kind

In honor of National Friendship Day on August 5, Kellogg's *Froot Loops*® collaborated with [United Way of the Battle Creek and Kalamazoo Region](#) in our global headquarters community and [United Way of King County](#) to promote anti-bullying by launching the United to be Kind program. Throughout the week of August 6, attendees at United Way summer meals programs participated in activities and conversations that embraced uniqueness, individuality and friendship. Kids were invited to make artwork with Kellogg's *Froot Loops*® and a few of the winning pieces were displayed in our Battle Creek, Michigan, USA headquarters building.



¹³ Source: APH NEWS: December 2017. Retrieved from <https://nfb.org/blindness-statistics>

Making A DIFFERENCE IN OUR HOMETOWN

W.K. Kellogg founded Kellogg in Battle Creek, Michigan, USA in 1906. Ever since then, we've been proud to call Battle Creek our hometown and to do our part to help make our community a great place to live, work and play. Over the past 10 years alone, our company and employees have pledged more than \$34 million to [United Way of the Battle Creek and Kalamazoo Region](#). We continue to be the largest donor to the annual campaign. We've also contributed hundreds of thousands of pounds of food to the [Food Bank of South Central Michigan](#), and our employees have volunteered tens of thousands of hours at local organizations; this includes nearly 7,000 hours of volunteer service just in 2018.

As an active, engaged member of the community, we're working with [Battle Creek Unlimited](#), [BC Vision](#) and community leaders to help ensure a strong, vibrant community for the future. For example, in 2018, Kellogg and one of its charitable funds donated \$500,000 to [Northern Initiatives](#) for small business development. We also sponsor annual community events including Cereal Festival, Field of Flight and the Festival of Lights that help drive community engagement and economic development. And in 2018, we invited community members into our headquarters to view artwork by local students during the city's annual Fall into the Arts, which significantly boosted traffic for the event and downtown vendors.

Our support of our hometown extends beyond corporate initiatives. Our Business/Employee Resource Groups also support Battle Creek. For example:

- The KMERG multinational employee resource group partnered with the Battle Creek Community Foundation to support the [Battle Creek International Festival](#).
- K Pride and Allies sponsored the local Pride Parade.



- In honor of U.S. Veterans' Day, Kellogg welcomed retired U.S. Army Brigadier General Pat Foote to Kellogg headquarters to discuss her storied career and gender equity in the military. During her visit, KVETS & Supporters invited local military service members to attend her presentation and arranged for General Foote to visit the local U.S. Air National Guard base.

- Women of Kellogg volunteered throughout the year at the Foodbank of South Central Michigan's local food distribution sites.



Kellogg has one facility in Battle Creek where we make cereal and two facilities in our home state of Michigan where we make other foods. We also work with six co-manufacturers and 58 ingredient suppliers to promote local sourcing.



Engaging STAKEHOLDERS

Across our value chain, we engage with a wide variety of stakeholders to inform our corporate responsibility work and advance our company's commitments. Multiple examples of these initiatives are included within this Corporate Responsibility Report.

STAKEHOLDERS	HOW WE ENGAGE
EMPLOYEES	<ul style="list-style-type: none"> Employee satisfaction surveys Training and education programs Performance reviews and other career-related discussions Volunteer experiences Company-wide intranet Company-wide team meetings W.K. Kellogg Values and other awards Global Code of Ethics
SHAREOWNERS	<ul style="list-style-type: none"> Quarterly conference calls Regular financial reports Annual Shareowners Meeting Annual Report Investor relations website Day at K meetings Individual meetings
SUPPLIER PARTNERS	<ul style="list-style-type: none"> Regular meetings Supplier conferences Supplier surveys Sedex participation NGO partnerships Global Supplier Code of Conduct
CUSTOMERS	<ul style="list-style-type: none"> Regular meetings Customer surveys Partnership in programs and industry groups Conference attendance
CONSUMERS	<ul style="list-style-type: none"> Corporate and regional websites Information on packaging Open for Breakfast web Q&A platform in the U.S., Australia/New Zealand and Latin America Consumer Affairs Centers in all regions
NGOs	<ul style="list-style-type: none"> Memberships in collaborative initiatives Partnerships that help address food security Conference attendance
GOVERNMENT LEADERS	<ul style="list-style-type: none"> Regular meetings and e-mail outreach Plant tours Conference attendance
LOCAL COMMUNITIES	<ul style="list-style-type: none"> Membership in community-based organizations Disaster relief effort Partnership in community programs Sponsorship of local events Annual U.S. United Way campaign



Kellogg's®

THANK YOU

Thank you for your continued interest in Kellogg Company's corporate responsibility efforts focused on achieving our purpose of nourishing families so they can flourish and thrive. We welcome your feedback and questions at

https://www.openforbreakfast.com/en_US/contact-us.html

Connect with us |

