

*Kellogg's*

# *Better Days*



2019/2020 Corporate Responsibility Report  
Executive Summary



# 2019/2020 CORPORATE RESPONSIBILITY REPORT

## ABOUT THIS REPORT

This year, Kellogg moved to a new reporting format, a PDF Executive Summary and a Corporate Responsibility website. In lieu of a 50-page PDF, this Executive Summary provides a high-level overview of our commitments. The [Corporate Responsibility website](#) includes complete information about our initiatives and progress toward our commitments. More data on our progress across specific topics like responsible sourcing, human rights and employee safety can be found on our [Positions, Policies, Milestones and Reporting page](#). The information we share primarily covers our 2019 activities. We've also included a few examples of our corporate responsibility efforts from late 2018 and early 2020.

We continue to use the Global Reporting Initiative (GRI) and its 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. This information is available on our [website](#).

Kellogg Company's most recent full GRI-based Corporate Responsibility Report was published in [2019](#). We intend to continue publishing an annual Corporate Responsibility Report, as well as GRI and SASB indices. We welcome questions and feedback at [https://www.kelloggs.com/en\\_US/contact-us.html](https://www.kelloggs.com/en_US/contact-us.html).

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# MESSAGE FROM THE CEO

## Kellogg is a company with Heart and Soul.

Our founder, W.K. Kellogg, was a man far ahead of his time. Long before sustainability and corporate purpose were part of the mainstream, he cared about leaving the world a better place than he found it. Health and wellbeing mattered to him; so did caring for communities. Because of our visionary founder, these are the values we continue to demonstrate every day. We call it our Heart and Soul, and it's never been more apparent as our company and employees support each other and our neighbors during the coronavirus (COVID-19) pandemic as well as the broader climate of racial discrimination and intolerance.

The health and safety of our employees is always our top priority and we are pulling out all the stops to ensure they are supported during these challenging times. In addressing the COVID-19 pandemic, people who can work from home are doing so. For those on the front-lines in stores or producing foods to help meet the unprecedented needs around the world, we've significantly enhanced our already robust sanitation protocols, and implemented strict social distancing and wellness checks. We also have enhanced benefits for front-line employees including extended ill time, "thank-you" bonuses and child-care alternatives, so they can care for themselves and their families.



We've expanded our workforce in some places due to increased demand and to ensure our hard-working employees have time to rest and recharge. Of course, these steps are above and beyond what we do every day to put our people first.

New research from the United Nations University<sup>1</sup> predicts that the fallout from the COVID-19 could push half a billion people into poverty in developing countries, which would significantly increase their

risk of food insecurity. As of June 2020, Kellogg Company and its charitable funds have donated more than \$13 million in food and funds to global COVID-19 hunger relief efforts, to ensure families and children continue to receive critical nourishment. Kellogg is providing additional support to our food bank partners in every region<sup>2</sup>, helping those who may not know where their next meal is coming from. You can learn more about our global COVID-19 hunger relief efforts that are part of Kellogg's<sup>®</sup> Better Days global purpose platform [here](#).



<sup>1</sup> Ship, T. (April 8, 2020). "COVID-19 fallout could push half a billion people into poverty in developing countries." United Nations University. Retrieved from: <https://www.wider.unu.edu/news/press-release-covid-19-fallout-could-push-half-billion-people-poverty-developing-countries>

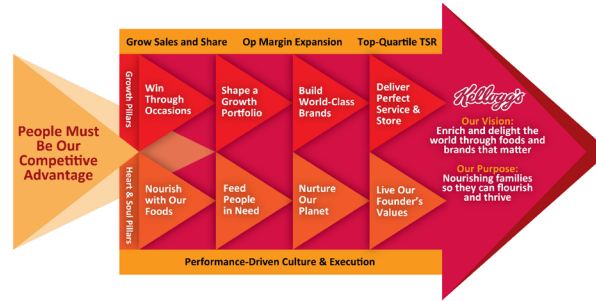
<sup>2</sup> Our contributions are aiding the following organizations around the world: [The Global FoodBanking Network](#), supporting food banks across Asia, Europe and Latin America; [European Food Banks Federation](#), supporting food banks across Europe; [Feeding America](#), supporting 200 food bank locations across the United States; and [Food Banks Canada](#), supporting 500 food banks across Canada.



As a company, we continue to strive to create an environment where individuals of all races, genders, backgrounds, sexual orientation, religions, capabilities and beliefs are treated with dignity and respect; there is no tolerance for discrimination; and we courageously speak up when we observe actions and behaviors that are not consistent with our values. We are taking actions internally including but not limited to increased training, hosting conversations and promoting connectedness among our employees and communities to help build a more just world.

In addition, Kellogg Company and our Kellogg Company Fund are committing an additional \$1 million to the National Association for the Advancement of Colored People (NAACP) to support the important work they are doing to create a society in which individuals have equal rights without racial discrimination. Kellogg is a long-standing partner and funder of the NAACP. You can read more about our commitment [here](#).

All year long, our Heart & Soul strategy comes to life through Kellogg's® *Better Days*, which has four tenets: nourishing people with our foods, feeding people in need, nurturing our planet and living our founder's values. These priorities matter to us today and every day. They also matter to our investors, customers, the people who enjoy our foods and others. They especially matter to our employees. That's why our Heart & Soul is foundational to our Deploy for Growth business strategy.



As a leading plant-based foods company, Kellogg and our people are helping to address issues facing society today. In addition to focusing on COVID-19 and racial discrimination, we're also developing foods to deliver holistic wellbeing to people everywhere, in an accessible way. We're providing food for people, especially children, facing hunger. We're supporting farmers and responsibly growing our ingredients. We're minimizing the impact of our operations on the environment. We're reducing waste and creating packaging that's reusable, recyclable or compostable. And we're protecting human rights all along our value chain.

Since 2015, Kellogg has created *Better Days* for nearly 600 million people worldwide. We've done so by donating 2.4 billion servings of food to people facing hunger, reaching 3.2 million children through feeding programs, supporting more than 433,000 farmers with climate-smart agriculture programs that support biodiversity, and by reducing greenhouse gas emissions to the equivalent of taking nearly 2.5 billion vehicle miles off the road<sup>3,4</sup>.

We're humbled that, as a result of these and other efforts, Kellogg has been recognized with some of the highest honors including from the Dow Jones Sustainability Index, FTSE4Good, the Corporate Human Rights Benchmark, Ethisphere's World's Most Ethical Companies, the MSCI ESG Leaders and ECPI Group indices of companies with highly regarded environmental, social and governance commitments.

We live at a time when there's a lot of anxiety, especially among those poised to inherit our world. They're understandably concerned about where we're going. And they wonder if we are doing enough. We at Kellogg share that concern and are committed to continuing our founder's legacy by doing everything we can to leave the world a better place than we found it.

Steve Cahillane  
Chairman and Chief Executive Officer  
June 2020



<sup>3</sup> EPA Equivalencies Calculator. Kellogg Company data from 2008 - 2018. <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

<sup>4</sup> All data points are from a 2015 baseline. We'll continue to report our progress in this manner as we work toward our Kellogg's® *Better Days* commitment to create *Better Days* for 3 billion people by the end of 2030.



# DRIVING POSITIVE CHANGE FOR 3 BILLION PEOPLE

Message from the SVP, Global Corporate Affairs



## Kellogg's Better Days

### CREATING BETTER DAYS FOR PEOPLE AROUND THE WORLD

In some ways, preparing this year's Corporate Responsibility Report is like finishing a good book. In it, we summarize our significant progress toward our long-standing *Breakfasts for Better Days*™ commitments. But it's also the beginning of an exciting new chapter as we work toward our new, next-generation *Kellogg's® Better Days* goals to:

**Nourish 1 billion people by fostering wellbeing with our foods by delivering nutrients of need and addressing hidden hunger.** In 2019, we increased important nutrients across our portfolio, including Vitamins A and D, fiber, iron and others. We also reduced nutrients people need less of – such as sugar, sodium and saturated fat. All our cereals now include at least one nutrient of need, whether that be fiber, protein or micronutrients. Specifically, 83% contain a source of fiber<sup>6</sup>, 59% are fortified with micronutrients and 40% contain vitamin D. Additionally, 56% of our wholesome snacks contain a source of fiber<sup>6</sup>, as do 97% of our frozen breakfast, 92% of our savory snacks and 80% of our veggie offerings.

**Feed 375 million people in need through food donations and expanding child-feeding programs.** Kellogg donated more than 446 million servings of food and expanded feeding and nutrition education programs in 2019 so more than 1 million children can reach their full potential. We also donated more than \$13 million in food and funds to global COVID-19 hunger relief efforts.

**At Kellogg, we are passionate about making a difference through our food.**

For years, we have been working diligently toward our *Breakfasts for Better Days*™ commitments to help feed people in need, responsibly source our ingredients and conserve natural resources. As we announced last year, these commitments sunset at the end of 2019. In their place, we launched next-generation, more ambitious *Kellogg's® Better Days* commitments to help the more than 820 million people facing a future of food insecurity<sup>5</sup> by focusing on the interconnected issues of wellbeing, hunger and climate resiliency. In doing so, we intend to drive positive change by creating Better Days for 3 billion people by the end of 2030.



<sup>5</sup> 2018 The State of Food Security and Nutrition in the World, Food and Agricultural Organization of the United Nations.

<sup>6</sup> Source of fiber is defined as at least 3g fiber per 100g. [Codex Alimentarius](#). Fiber nutrient content standards vary by country.

**Nurture people and our planet by supporting 1 million farmers and workers while conserving natural resources across our value chain by meeting our science-based targets, responsibly sourcing our ingredients, reducing organic waste and providing sustainable packaging.** Kellogg has helped more than 433,000 farmers adopt sustainable agriculture practices that support biodiversity and improve climate resiliency. Our company, which already has one of the smallest plastic packaging footprints among peer food companies<sup>7</sup>, achieved 76% packaging recyclability globally in 2019. We also reduced greenhouse gas emissions in our manufacturing sites by more than 20% – exceeding our 15% reduction goal one year ahead of schedule.

**Live our founder’s values by engaging 1.5 billion people in the issue of global food security by advocating on behalf of children facing hunger, encouraging employee volunteerism, ensuring an ethical supply chain, and supporting diversity and inclusion.** In 2019, Kellogg engaged more than 145 million people, including contributing 8,689 employee volunteer days, in communities around the world. We also donated an additional \$1 million to our long-time partner, the NAACP, to support the important work they are doing for racial justice.



## INTEGRATING OUR COMMITMENTS FOR MORE COMPREHENSIVE OUTCOMES

Helping to address food security has long been our priority. So, while our efforts in the areas of wellbeing, hunger relief and climate resiliency are not new, our Kellogg’s® *Better Days* commitments are the first time we have fully integrated this work to further embed purpose into our company in alignment with the United Nations Sustainable Development Goals’ (SDG) 2030 target. We’re passionate about working with others during the next 10 years to help achieve the United Nations’ vision of “peace and prosperity for people and the planet.”

This Executive Summary of our 2019/2020 Corporate Responsibility progress provides many examples of the Kellogg’s® *Better Days* work already underway. We’ll provide first-year progress against our metrics in our 2020/2021 Executive Summary. Finally, we are grateful to our employees, share-owners, customers, people who enjoy our foods, suppliers, government leaders, nongovernmental organizations and partners for their support as we work together to drive positive change for 3 billion people worldwide.

Kris Bahner  
Senior Vice President  
Global Corporate Affairs  
June 2020



## 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 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. Many of our senior leaders have annual performance goals tied to the company’s corporate responsibility metrics.

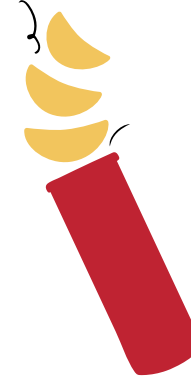


<sup>7</sup> Kellogg global plastic packaging volume: 62,488 MT, peer comparison: EMF Report, Spring 2019 among peer companies <\$10 Billion Revenue.

About  
KELLOGG  
COMPANY

2019 SALES:  
~ **\$13.6B**  
(IN USD)

OVER  
**1,000 FOODS**  
MARKETED IN  
**180**  
COUNTRIES



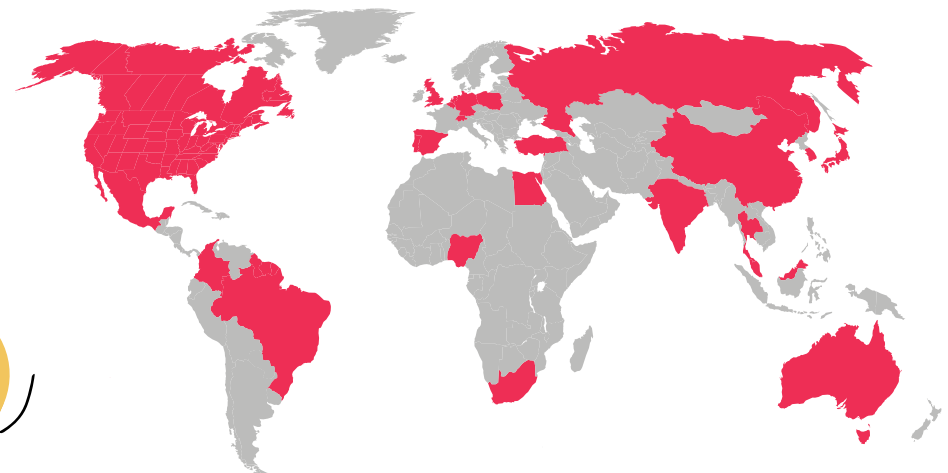
GLOBAL OPERATIONS ACROSS 4 REGIONS:

**NORTH AMERICA**  
(including Canada & United States)

**EUROPE**  
(including Russia)

**LATIN AMERICA**  
(including Mexico, Central  
America & South America)

**AMEA**  
(including Asia, Middle East,  
Africa & Turkey)



**WORLD'S  
LEADING  
CEREAL  
COMPANY**



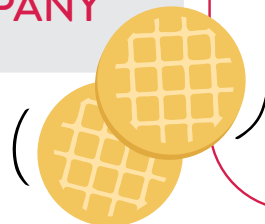
**WORLD'S  
2<sup>ND</sup> LARGEST  
SAVORY  
SNACK  
COMPANY**



**A LEADING  
GLOBAL  
PLANT-BASED  
FOODS  
COMPANY**



**LEADING  
NORTH  
AMERICAN  
FROZEN FOODS  
COMPANY**



# 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 understand the company’s current and potential environmental, social, governance, ethical and economic impacts. In identifying material topics, the team focused on those that:

- Align with our vision, purpose, strategy, brand portfolio and geographic footprint;
- Intersect multiple areas of our value chain; and,
- Affect consumers, customers, employees, communities, regulatory agencies and 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 evaluate this intersection against all 17 U.N. Sustainable Development Goals (SDGs). As a result, we expanded our materiality matrix across our value chain and indicated those “Priority SDGs” most aligned with our work. We also identified “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.

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 reporting materiality matrix 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 SDGs we've identified as either "Priority" or "Additional" for each of these workstreams.

MATERIAL TOPICS	OUR VALUE CHAIN									SDGs		
	Research & Development	Agriculture	Suppliers	Manufacturing & Packaging	Marketing & Sales	Distribution	Customers	Consumers	End of Life	Priority SDGs	Additional Material SDGs	
<b>Nourishing with Our Foods</b>												
Food Quality & Safety	●	●	●	●	●	●	●	●				
Responsible Marketing	●				●		●	●	●			
Wellbeing (Physical, Emotional and Societal)	●	●	●	●	●		●	●	●			
<b>Feeding People In Need</b>												
Food Security	●	●	●	●	●	●	●	●	●			
<b>Nurturing Our Planet</b>												
Climate Change	●	●	●	●	●	●	●	●	●			
Food Loss & Waste	●	●	●	●	●	●	●	●	●			
Natural Resource Conservation	●	●	●	●	●	●	●	●	●			
Sustainable Agriculture	●	●	●		●		●	●				
<b>Living Our Founder's Values</b>												
Business Ethics & Compliance	●	●	●	●	●	●	●	●	●			
Diversity & Inclusion	●	●	●	●	●	●	●	●				
Human Rights	●	●	●	●	●	●						



# PROGRESS TOWARD OUR COMMITMENTS

The following dashboard concludes reporting against our *Breakfasts for Better Days*™ commitments that sunset in December 2019. Additional information on how we're nourishing with our foods, feeding people in need and nurturing our planet, all while living our founder's values, is included in our online [Corporate Responsibility website](#) and [GRI](#) and [SASB](#) indices.

Note: In 2019, we divested our Keebler business. The data in this Report does not include current or historic data for the Keebler facilities. Our 2015 baseline has been adjusted by extracting the Keebler plants.

Section	Priority	Focus Area	Commitment	2019 Annual Progress
Nourishing With Our Foods	Inspired by our Food Beliefs	Snacks <sup>8</sup>	By 2020, include one or more positive nutrients or ingredients in every snack food in the convenient nutrition (bars and other snacks) category.	Our priorities have shifted since we introduced food beliefs in 2015. We fulfilled the rest of these commitments and will no longer track against this one. For more information on our current approach, visit the Nourishing with our Foods section of our <a href="#">Corporate Responsibility website</a> .
Feeding People In Need	Addressing Food Security	<i>Breakfasts for Better Days</i> ™ – Hunger Relief <sup>9</sup>	By the end of 2025, donate 2.5 billion servings of food to people in need.	446,492,448 servings
			By the end of 2025, expand feeding and nutrition education programs so 2 million children can reach their full potential.	1,028,430 children reached
			By the end of 2025, commit to 45,000 volunteer days by Kellogg employees and retirees.	8,689 volunteer days
			By the end of 2025, engage 300 million people around the issue of hunger relief.	145,236,050 people
			By the end of 2025, create 3 billion <i>Better Days</i> by donating food, feeding people, supporting farmers and volunteering, and engaging people.	593,096,196 <i>Better Days</i>
Nurturing Our Planet	Conserving Natural Resources	Climate & Energy	By 2020, reduce normalized energy use in our plants by an additional 15%. <sup>10,11</sup>	1.5% reduction from 2018, 11.8% reduction from 2015 baseline.
			By 2020, reduce normalized greenhouse emissions in our plants by an additional 15%. <sup>10,11</sup>	0.7% change from 2018, 20.7% reduction from 2015 baseline. Exceeded goal one year early.

<sup>8</sup> Data are an average of our six core markets, which represent the majority of our worldwide sales.

<sup>9</sup> From a 2016 baseline.

<sup>10</sup> Per metric tonne of food produced.

<sup>11</sup> From a 2015 baseline.



# PROGRESS TOWARD OUR COMMITMENTS

Section	Priority	Focus Area	Commitment	2019 Annual Progress
Nurturing Our Planet	Conserving Natural Resources	Climate & Energy	By 2020, expand the use of low-carbon energy in our plants by 50%. <sup>11</sup>	Complete
			By 2050, reduce absolute Scope 1 & 2 emissions in our operations (manufacturing, offices, warehouses, sales fleet) by 65%. <sup>11</sup>	2.6% reduction from 2018, 28.6% reduction from 2015 baseline.
			By 2050, partner with our direct suppliers to help reduce their Scope 3 emissions by 50% (including agriculture). <sup>11</sup>	Engaged direct suppliers that represent 76% of our global spend to report their emissions.
			By 2050, source 100% renewable electricity.	27.9%
		Water	By 2020, implement water reuse projects in at least 25% of our plants.	15.4%
			By 2020, reduce normalized water use in our plants by an additional 15%. <sup>10,11</sup>	1% reduction from 2018, 15.1% reduction from 2015 baseline. Achieved goal one year early.
			Continue watershed quality support.	Ongoing
		Waste	By 2020, reduce normalized total waste in plants by 15%, with a focus on food waste. <sup>10,11</sup>	0% change from 2018, 5.7% reduction from 2015 baseline.
		Packaging	Continue commitment to ensure that 100% of all timber-based packing is either recycled or certified as sustainably sourced.	Complete
			Work toward 100% reusable, recyclable or compostable packaging by the end of 2025.	76%
	Sourcing Responsibly	Ingredients	By 2020, responsibly source our 10 priority ingredients: cocoa, sugar cane, vanilla, palm, corn, wheat, rice, potatoes, beets and fruit. More than 117 priority-ingredient suppliers are engaged in measuring continuous improvement or investment in sourcing communities.	On track. Learn more about our methodology and progress <a href="#">here</a> .
		<i>Breakfasts for Better Days</i> <sup>TM</sup> - 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.	433,000 and ongoing
		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.	Complete and ongoing
		Women Farmers/Workers	By 2020, develop programs to help women farmers/workers improve their livelihoods, families and communities using climate-smart agriculture.	Complete and ongoing




<sup>10</sup> Per metric tonne of food produced.

<sup>11</sup> From a 2015 baseline.


# OUR IMPACT & REACH


Since 2015, we've created *Better Days* for nearly 600 million people worldwide...



*Donating*  
**2.4 BILLION SERVINGS**  
of food to people facing hunger.


*Reaching*  
**3.2 MILLION CHILDREN**  
through feeding programs.



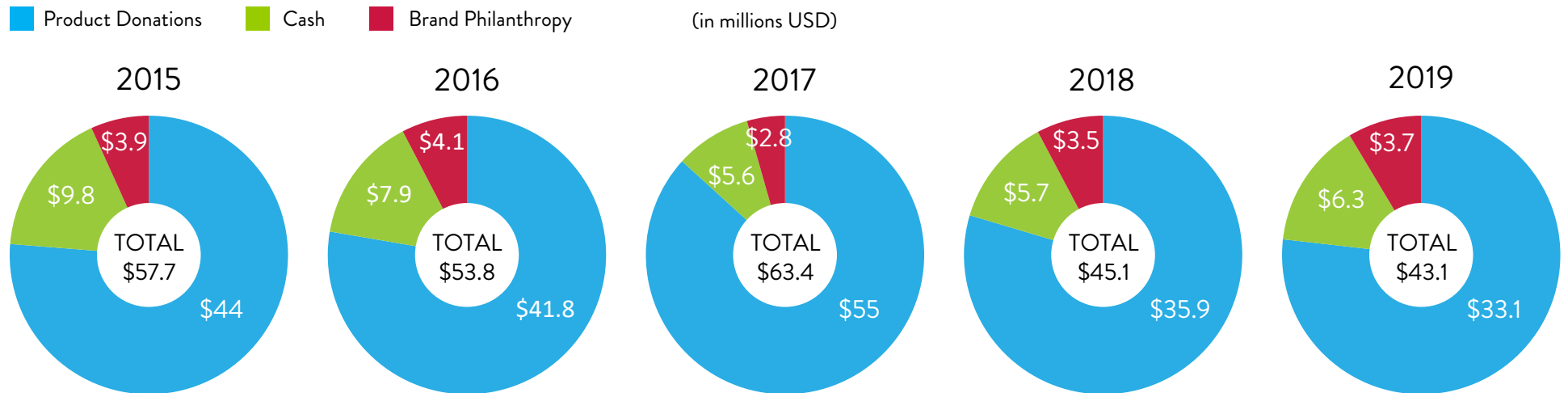


*Supporting*  
**MORE THAN 433,000 FARMERS**  
with climate-smart agriculture programs that support biodiversity.

*Reducing*  
**GHG EMISSIONS**  
by the equivalent of taking **NEARLY 2.5 BILLION** vehicle miles off the road.<sup>12,13</sup>



In the past five years, Kellogg has donated USD \$263M<sup>14</sup> worldwide.



<sup>12</sup> EPA Equivalencies Calculator. Kellogg Company data from 2015–2019. <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

<sup>13</sup> All data points are from a 2015 baseline. We'll continue to report our progress in this manner as we work toward our Kellogg's® *Better Days* commitment to create *Better Days* for 3 billion people by the end of 2030.

<sup>14</sup> Our contributions are made through Kellogg Company and its charitable funds.



# ABOUT THE W.K. KELLOGG FOUNDATION

The mission of the W.K. Kellogg Foundation supports 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) 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% of the Trust's portfolio, and Kellogg Company paid more than USD \$145 million in dividends to the Trust to fund the Foundation's work.



# FOR MORE INFORMATION

A screenshot of the Kellogg's Corporate Responsibility Report website. The header features the Kellogg's logo and navigation links: Heart &amp; Soul Strategy, Nourishing With Our Foods, Feeding People In Need, Nurturing Our Planet, Living Our Founder's Values, Positions, Policies, Milestones, Reporting, CR Report, and Social K Blog. The main banner shows two children eating cereal with the text "2019/2020 Corporate Responsibility Report" and "Feeding People In Need" with a sub-headline "Working around the world in a variety of ways to support those facing food insecurity". Below the banner are four tiles: "Kellogg's Better Days Commitments More Info", "Kellogg's Heart &amp; Soul Strategy More Info", "Nourishing with our foods", "Feeding people in need", "Nurturing the planet", and "FOUNDATION Living our founder's values". At the bottom, there is a social media sign-up form: "Social K Sign up to receive the latest posts via email." with a text input field and a "SUBMIT" button.

Our [Corporate Responsibility website](#) includes complete information about the initiatives that are driving our progress toward our Kellogg's® Better Days commitments.

More in-depth data on our progress across specific topics like responsible sourcing, human rights and employee safety can be found on our [Positions, Policies, Milestones and Reporting page](#).

The information we share primarily covers our 2019 activities. We've also included a few examples of our corporate responsibility efforts from late 2018 and early 2020.

Thank you for your interest in Kellogg Company's corporate responsibility efforts. We welcome your feedback and questions at [https://www.kelloggs.com/en\\_US/contact-us.html](https://www.kelloggs.com/en_US/contact-us.html).





Helping  
Advocates for  
**Better Days™**

*Connect with us* |

