



Materiality

As a global food company, Kellogg is committed to addressing the critical issues of climate and food security. Like the people who enjoy our foods around the world, and our customers like Walmart, we care deeply about where our ingredients come from, the people who grow and make it, and that there's enough for everyone. To be effective and efficient for our shareholders, stakeholders and community, it is essential that we find a way to prioritize our work and thus only focus and report on issues which are deemed material to our business. Materiality, in the context of financial reporting, is generally defined as an omission or misstatement of financial information that, in the light of surrounding circumstances, makes it probable that the judgement of a reasonable person relying on that information would have been changed or influenced by such omission or misstatement.

Under this context, Kellogg Company uses a materiality assessment process to understand our organization's economic, social and environmental impacts, which then informs and drives our financial reporting and disclosures. Our financial reporting includes impacts that affect economic decision making, including those which are relevant for investors. Some key environmental and social impacts, like climate change, are deemed material for financial reporting and thus are referred to in our external financial reports and SEC filings.

Materiality, as it relates to sustainability, extends beyond impacts to economic decision making. The sustainability materiality assessment performed at Kellogg considers and includes all aspects that have material economic, social or environment impacts. A sustainability materiality assessment was performed by an external consultant after extensive consultation with key external and internal stakeholders, and aligned to G4 reporting. Those impacts where the company can significantly affect or which can significantly affect the company were deemed to be material. This assessment was determined through external and internal indicators, including internal surveying, external awareness, international standards and agreements, compliance, company influence, and severity of impact on community or the environment.

Assessment

According to the Sustainability Accounting Standard Board (SASB) sustainability topics that are likely to be material within the processed food sector include the indicators in Appendix: Table 1. Kellogg assessed the materiality of these indicators against our business operations and our Global Growth Strategy, which includes our strategies for growth and our Heart and Soul Strategies. All of the categories were deemed to be material, and are aligned to the performance areas which are annually reported through the Corporate Responsibility Report.

In addition to the topics identified by SASB, Kellogg identified other areas of materiality aligned to business drivers, external risks and opportunities. These were identified through three lenses:

1. Internal stakeholder engagement process, across Kellogg Corporate Affairs, Supply Chain, Marketing, Sales, Research and Nutrition teams.
2. External landscape assessment for the company's exposure to externally recognized objectives, including the United Nations Global Compact and the Sustainable Development Goals
3. Assessment of stakeholder interest in Kellogg's approach and performance against these topics

Through this sustainability materiality assessment, priority topics were identified against which Kellogg is reporting in its Corporate Responsibility Report (see Appendix: Graph 1). Additional disclosures in mainstream financial reporting will continue as appropriate.



APPENDIX

Table 1: Kellogg Reporting on SASB Industry-Level Topics

SASB Industry-Level Topics	Kellogg Commitment Area	Corporate Responsibility Reporting Section
Energy & Fleet Fuel Management	2020 Global Sustainability Commitments: Energy	Nurturing our Planet
Water Management	2020 Global Sustainability Commitments: Water	Nurturing our Planet
Food Safety	Food Quality and Safety	Nourishing with our Foods
Health & Nutrition	Health and well-being	Nourishing with our Foods
Product Labeling & Marketing	Transparency, Health and well-being	Nourishing with our Foods
Packaging Lifecycle Management	2020 Global Sustainability Commitments: Packaging and Waste	Nurturing our Planet
Environmental & Social Impacts of Ingredient Supply Chains	2020 Global Sustainability Commitments: Responsible Sourcing	Nurturing our Planet

Graph 1: Materiality Assessment for Corporate Responsibility Report

