

## 2023 KELLANOVA GLOBAL WATER RISK ASSESSMENT METHODOLOGY OVERVIEW

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 Kellanova, we are working to reduce our water use worldwide, in our business and the communities where we source ingredients and make our foods.

We are making progress on reducing our water use across all our facilities and implementing water reuse projects in a portion of our plants. In 2022, as Kellogg Company, we reduced water use by 21 percent from a 2015 baseline.

We continue to reevaluate how we drive the most significant impact in the watersheds where we make our foods. We benchmarked with other companies, non-governmental organizations, and other stakeholders to understand how they are assessing risk and prioritizing projects to mitigate water risks. We are also engaging with our farmers to invest and implement better practices that help reduce the water use in our most important crops by volume.

As part of this evaluation, Kellogg developed a global water risk assessment 2014, updated it in 2018, and in 2022, engaged internal and external experts to evaluate physical water stress, regulation, usage, and business risk at manufacturing sites and in our supply chain. Although only 25% of facilities are defined as having high water stress by the WRI Aqueduct Tool, our assessment identified 42.5% percent of our facilities as high risk from a combined internal and external perspective. Our high-risk manufacturing facilities are in South Korea, USA (Michigan, California and Ohio), Australia, Egypt, Turkey, Belgium, Spain, Mexico and India. Ratings were calculated for current and future trend (3-5 years) conditions. The future trends indicate that for 2040 the percentage of plants from medium to extreme risk will remain at 58%, but 10 locations will be in extremely high-water stress.

The following outlines how we have assessed and defined water risk and how we expect to use these data.

### Assessing Manufacturing Site-Level Water Risk

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In our water risk assessment, sites are prioritized based upon:

- Internal Rating (Operational plants) – average score from survey questions covering current and future risks for Physical, Regulatory, and Social/Reputational. The survey also contained current onsite practices to look for opportunities for improvement.
- External Survey (Sourcing areas) – data from the Grower Survey to collect data on volumes, farm practices, use of fertilizers and locations.
- External Rating – an average score calculated from core WRI Aqueduct Indicators.

Ratings are based upon a 1 (Low) to 5 (High) scale, where a Rating > 3.0 represents a mid-risk and 5 extremely high-risk position. Ratings were calculated for Current and Future Trend (2040) conditions.

#### Internal Rating

A PDF survey was completed by each facility using 60 questions (15 were quantitative and 45 were qualitative). The Survey included the following factors:

- |                            |   |                              |
|----------------------------|---|------------------------------|
| • Type of source water     | • Water costs   | • Water consumption          |
| • Brands produced          | • Supply interruption   | • Water discharged per year  |
| • Geographical coordinates | • Current problems with water supply regarding quantity and quality | • Water efficiency practices |
| • Water stress perception  | • Current legislation   |                              |

### Internal Risk example of questions

PART 3: SITE WATER RESOURCES		
19. Is rainwater harvested on site? (Yes/No). Please describe.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
If yes, what volume was harvested in 2021?		
20. Has water ever been brought to the site by tanker trucks? How often?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
21. Has an alternative water source been considered for the plant? (Yes/No)	Yes <input type="checkbox"/>	No <input type="checkbox"/>
If yes, what is the source, and in how far has it been developed? Is it fully operational? Please describe.		
22. Is the plant experiencing / has the plant experienced local/national political/media pressure to regarding its water use? (Yes/No). Please describe.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
23. Are there legal or physical limitations to the water use?	Yes <input type="checkbox"/>	No <input type="checkbox"/>

### External Survey to suppliers (Grower Survey)

Robust survey of 203 questions sent annually to our suppliers of corn/maize, potato, rice, wheat, strawberries and raisins/sultanas. The questions include: soil practices, biodiversity, IPM practices, pesticide use, soil nutrients and nitrogen used, precision agriculture technology, energy efficiency, irrigation practices, yield and seed performance, agronomic advice, areas to improve, crop loss causes, climate risk methods, ED&I, just payment to workers and EHS.

### External Rating

Leading external indicators were utilized to provide an "external" perspective on location-specific risk conditions as described below.

### External Risk Illustration

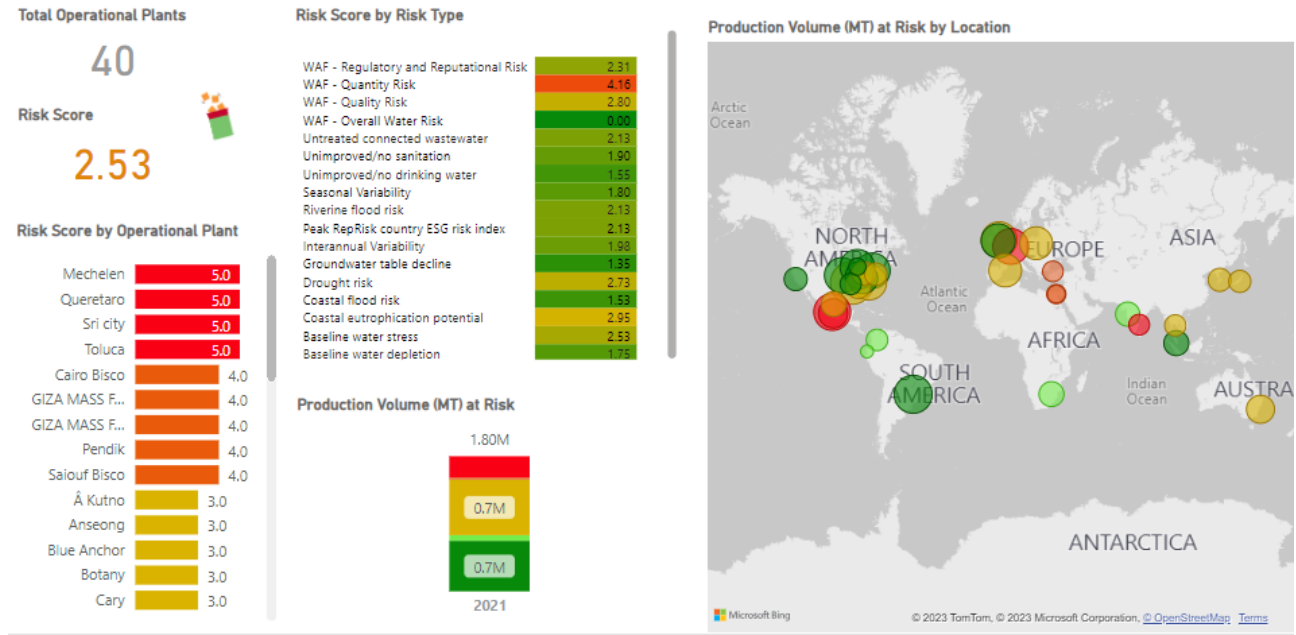
#	Site Name	Country	Region	GWRA 2022		Priority GWRA/Aqueduct	Other Prioritization Based on Physical Risk
				Water Stress			
				Current Risk	2040 Future Risk		

Kellogg		
At High Risk		
Physical Risk	Regulatory Risk	Soc/ Rep Risk

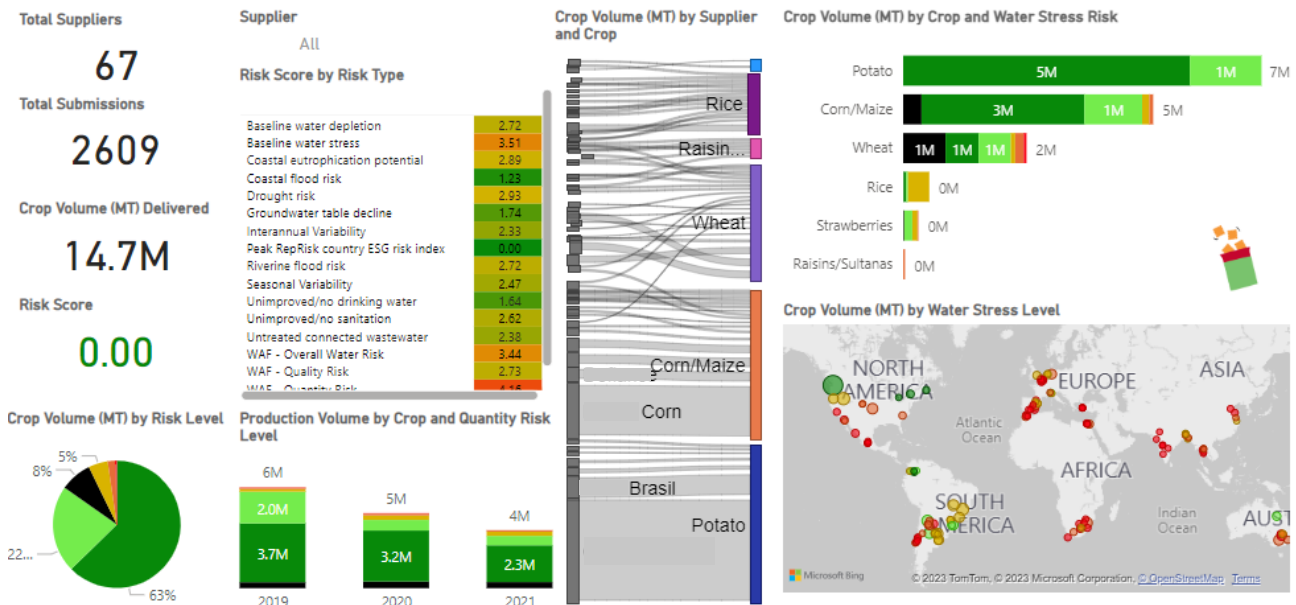
### Indicator Descriptions

- GWRA Overall Water Stress Risk – identifies areas with higher exposure to water-related risks and is an aggregated measure of all selected indicators from the Physical Quantity, Quality and Regulatory & Reputational Risk categories. <http://www.wri.org/publication/aqueduct-global-maps-21-indicators>
- GWRA Water Stress – 2040 Future Risk – projection of baseline water stress taking into account projected water stress and climate change impacts for 2040 using a "Business as Usual" scenario based upon the International Panel on Climate Change (IPCC) Scenario A1B, which is the most realistic scenario with balanced emphasis on all energy sources (Fossil + Non-Fossil).

### Summary Operational plants Risk Rating Illustration



### Summary Sourcing Areas Risk Rating Illustration



### Outcomes

The assessment identified the following risk scenario of our manufacturing sites and sourcing areas:

- Currently the company has 9 sites (21%) that are in locations experiencing high to extremely [high-water](#) stress risk, and 17% of total volume is produced in locations with high to extremely [high-water](#) stress risk level. By 2040 the total volume produced in locations with high to extremely [high](#) stress will increase to 34% and nine locations will be at extremely [high-water](#) stress level.
- Based on the findings, Kellanova should address water stress and increase resilience to droughts at three sites in Mexico, by implementing a water security program.
- Zanesville is currently at medium water stress but by 2040, it will be at high water stress risk. The plant has a higher-than-average Water Use Ratio, possibly due to the nature of its products (vegetarian and vegan meat alternatives). The site reported not having experienced local

pressure, nor there being government efficiency policies, which will likely change due to the pressing climate change situation by 2040.

- High dependence on rainfall: 97% (by volume) of the sourced wheat and 88% of corn/maize is directly dependent on rainfall.
- High water consumption for irrigation: Potatoes account for 33% of the total irrigated volume of crops but consume 66% of the irrigation volume (approximately 230 m<sup>3</sup> per ton).

## Mitigating Risk through Sustainability Action Plans

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Our next steps will be focused on transferring the results of the assessment into action. The results will be shared and will inform our Senior Leadership, Enterprise Risk Management approach, Mergers and Acquisitions, our CapEx planning, our Stakeholder Engagement activities, and will be cascaded to our regional and site-level Environment, Health, and Safety (EHS) and Engineering teams. In addition, this will be integrated in our reporting to the Social Responsibility and Public Policy Committee of the Kellanova Board of Directors.

The information from this assessment will allow us to evaluate common or shared issues across multiple facilities and opportunities to provide global/regional guidance and support. We will also evaluate sites that may not have high external and/or internal risk scores, but still face specific challenges (individual risk conditions) with the potential to impact the business. This information will be used to develop Facility Water Management Action Plans including internal and external activities. Examples of risk mitigation activities include:

- Training and awareness
- Water reduction, reuse, and recycle opportunities.
- Minimization of non-essential water use for landscaping and irrigation – no freshwater
- Development of water-related Business Continuity Plans
- Evaluation and monitoring of watershed conditions
- Stakeholder mapping and engagement plans
- Water intensity and risk for key sourcing materials
- Proactive communication of water plans and performance (internal and external)

We will report annually on our progress to mitigate risk and reduce our water demand through our Better Days™ Promise Social and Environmental Report and CDP Water response.