

*Living Our Founder's Values*

# KELLOGG COMPANY 2021 GLOBAL HUMAN RIGHTS MILESTONES



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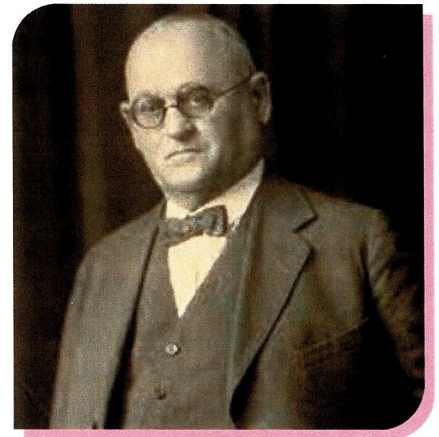
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### Our Commitment

Our founder, W.K. Kellogg, once said, *"Dollars have never been known to produce character, and character will never be produced by money. I'll invest my money in people."* As a global company, Kellogg has a responsibility to respect and advance human rights. Our commitments extend throughout our value chain – from our operations, to our supply chain, to the farmers that grow our food, the workers that make our products, and to the people that enjoy our foods everyday.



Our founder's values live on today in our [Kellogg's™ Better Days Promise](#), recognizing that "people must be our competitive advantage." Kellogg's™ Better Days is our promise to advance sustainable and equitable access to food by addressing the intersection of wellbeing, hunger, sustainability, and equity, diversity and inclusion (ED&I) for 3 billion people by the end of 2030.

Globally, we have been working to protect and advance human rights for over a decade. As we have continued to strengthen our work in this area, for our own operations and direct and indirect supply chains, we have had the opportunity to partner with suppliers, industry peers, civil society, investors, and a broad range of stakeholders. We know that we can't achieve change alone. To tackle issues like modern slavery and forced labor, we need to continue to leverage best practices where we can and support innovative solutions through continued collaboration.



# 2021 Global Human Rights Milestones

## OVERVIEW

To better communicate our responsibilities, commitments, and expectations, we updated our [Global Human Rights Policy](#) in 2020 to align with the [UN Guiding Principles on Business and Human Rights \(UNGPs\)](#). By taking a risk-based approach we strive to ensure we are focusing on issues that are most relevant to our business and its operations where we can drive the most impact. Building on our global framework, Kellogg is using credible third-party data to further our understanding of these salient risks and identify actions we can take to better prevent, mitigate, and remediate adverse human rights impacts. Unsurprisingly, these risks are not dissimilar to those faced by peer organizations who operate in the food, beverage and grocery sector, which is why collaboration is so important to address systemic issues geographically and within specific commodities. This report details our approach to protecting and advancing human rights within our operations and supply chain and outlines some of the key actions we are taking globally in response to identified and potential issues. You can learn more about our work [here](#).

## Policies & External Alignment

Our Global Human Rights Policy highlights salient rights risks within our operations and global supply chain and details our strategy for prevention and mitigation. These risks were identified through a detailed internal materiality analysis and with the support of a third-party consulting firm, ELEVATE. This policy supplements our other foundational policies, the [Global Supplier Code of Conduct](#) and [Policy Statement Prohibiting Involuntary Labor](#), that guide our operations and inform our expectations for supplier and supply chain partnerships.

Furthermore, Kellogg is committed to, aligned with, and supports, all internationally recognized human rights as codified in the UNGPs, [International Bill of Human Rights](#) (including the [Universal Declaration of Human Rights](#)) and the eight International Labour Organization (ILO) core conventions as set out in the [Declaration on Fundamental Principles and Rights at Work](#). As signatories, we are also committed to upholding the ten principles of the [United Nations Global Compact](#) and the [Women's Empowerment Principles](#). We also reference and follow the [OECD Guidelines for Multinational Enterprises](#). Kellogg believes these rights are inherent for all

human beings and we acknowledge that they are interrelated, interdependent, and indivisible. We are committed to ensuring our operations do not infringe upon the human rights of others and that should adverse impacts be discovered, we will seek remediation aligned with Kellogg policies, international standards, and the expectations of our customers, consumers, and stakeholders.

“From our earliest days, Kellogg has been a purpose-driven organization, a company with a heart and soul. Our visionary founder, W.K. Kellogg, instilled in us the understanding that a critical part of running a good business also is doing good for society. For more than a century, Mr. Kellogg’s values have inspired our philanthropy, sustainability and social equity work. That’s why we have always worked hard to make sure that our company and our business practices deliver benefits to people, to communities and to the planet. Today, we take very seriously our commitments and our support of the communities we serve. It is the foundation of everything we do.”

– Steve Cahillane, Chairman and CEO



# 2021 Global Human Rights Milestones

## OVERVIEW

### Our Business

Kellogg is a global consumer goods company with manufacturing operations in 21 countries and products marketed in 180 countries.

We work with over 20,000 Tier 1 suppliers. Agricultural commodities, including corn, wheat, potato flakes, vegetable oils, sugar and cocoa, are the principal raw materials used in our products and carton board, corrugated, and plastic are the principal packaging materials.

Our principal products are snacks, such as crackers, savory snacks, toaster pastries, cereal bars, granola bars and bites, and convenience foods, such as ready-to-eat cereals, frozen waffles, veggie foods and noodles.

They are sold to retailers through direct sales for resale to consumers. We use broker and distributor arrangements for certain products and channels, as well as less-developed market areas or in those market areas outside of our focus.

Our snacks brands are marketed under brands such as *Kellogg's*, *Cheez-It*, *Pringles*, *Austin*, *Parati*, and *RXBAR*. Our cereals and cereal bars are generally marketed under the *Kellogg's* name, with some under the Kashi and Bear Naked brands. Our frozen foods are marketed under the *Eggo* and *MorningStar Farms* brands.



### Corporate Governance

At the board level, social issues are overseen by the Social Responsibility and Public Policy subcommittee of the Kellogg Board of Directors, which assists the Board in its oversight responsibilities on certain social and public policy issues.

At the executive level, human rights issues are overseen by the Chief Sustainability Officer, who reports to the Senior Vice President of Global Corporate Affairs. We also engage functions across the business such as Sustainability, Human Resources, Procurement, Environment Health & Safety, Communications and Legal to assess and track our global activities to inform our strategy and actions. Each group is involved in decisions related to issues such as child labor, forced labor, freedom of association and collective bargaining, health and safety, land rights, water and sanitation, and women's rights.

At the daily work level these topics are managed collaboratively by our Sustainability, Procurement, Legal, Human Resources, Supply Chain, and Ethics and Compliance functions with each group involved in various capacities and different aspects of responsibility.

Internal accountability is an important aspect of the Kellogg's corporate culture. Our Office of Ethics and Compliance (EoC) serves as a resource for clarification of Company policy or reporting issues related to ethics and business conduct. Employees and suppliers are encouraged to contact the EoC without fear of retribution or retaliation. We protect the confidentiality of all reporting sources.



## Risk-Based Approach

We are committed to engaging and partnering with peers, suppliers, NGOs, and stakeholders to find solutions to issues within our extended and overlapping global supply chains. We set clear expectations, seek to drive accountability and assess potential and actual risk that our operations may cause or contribute to, both directly and indirectly. .

Kellogg utilizes a combination of publicly available indices from reputable sources, including [Sedex Radar](#), to assess forced labor risk, and other salient risks, for supplier operations by region and commodity.

- Risk factors include regional location of operations, sector or commodity, degree of salience to industry identified issues, and supplier specific information.
- Targeted facilities are asked to complete a self-assessment questionnaire detailing policies and procedures related to labor practices to identify gaps that could indicate the possibility of, or potential for, human rights abuses or nonconformance.
- Targeted facilities are also subject to audits upon request.
- We primarily use the SMETA audit scheme, which includes on site worker interviews based on the most recent methodology to determine the percentage of workers interviewed.

### Kellogg high-risk priority ingredients and sourcing countries combinations:

According to [U.S. Department of Labor ILAB](#)



SUGAR  
CANE

Brazil  
Colombia  
Thailand  
Mexico



COCOA

Ghana  
Cote d'Ivoire



PALM OIL

Malaysia  
Indonesia

## 2021 Global Human Rights Milestones

## APPROACH

### Own Operations

**46**

TOTAL OWNED  
FACILITIES

**35%**

FACILITIES CONSIDERED  
HIGH RISK

**31%**

HIGH RISK FACILITIES  
AUDITED IN 2021/2022

In 2021/2022, Kellogg performed annual third-party audits for five of our highest risk facilities. As part of our ongoing efforts to identify, prevent, mitigate, and remediate issues within our own operations, we are committed to expanding our audit capabilities to all our high-risk facilities to ensure continued compliance with internal and international standards of human rights due diligence.

### Supply Chain Operations

#### IN-SCOPE SUPPLIERS REGISTERED WITH SEDEX

**86%**

NORTH AMERICA

**89%**

AMEA

**95%**

EUROPE

**100%**

LATIN AMERICA

As of December 2021, 89% of global in-scope suppliers have registered with the Sedex platform; of those, 85% have registered and linked all Kellogg supplying sites. We have annual goals to maintain 90% in-scope suppliers registered and active on the Sedex platform and 90% of all sites linked. This aids Kellogg to more accurately track Tier 1 supply chain locations and assess current audit status, including open non-conformances or pending actions. In-scope refers to suppliers within the Top 80% spend profile, all high-risk commodity suppliers (palm oil, cocoa, sugar cane), and/or those with high exposure to contract labor.

We are continuing to work with our suppliers to achieve completion of the Sedex Self Assessment Questionnaire to better assist risk profiling and commodity/country risk exposure.



## Grievance Mechanism – Kellogg Ethics Hot Line

Our [Ethics Hot Line](#) offers a confidential way for employees, suppliers, contractors and the general public to ask questions and report concerns in relation to ethics, compliance or any other requirements in our Global Code of Ethics and Supplier Code immediately and anonymously 24 hours a day, 7 days a week via telephone, internet or mobile app. The Ethics Hot Line is operated for Kellogg by a third-party, confidential reporting company and is always available to Kellogg employees in 21 countries. The operator will listen to concerns or inquiries and provide a written summary to the Office of Ethics and Compliance for investigation and further action, as appropriate.

Regional compliance leaders review and resolve complaints and inquiries consistent with our investigation protocols. All complaints and inquiries are monitored and subject to review at the corporate level. Most investigations can be completed quickly. Our goal is to complete investigations within 30 days. However, completion timelines may vary depending upon additional factors such as the availability of witnesses, etc. Appropriate action is taken based on investigation findings. Lessons learned are leveraged to prevent and detect future misconduct, ensure compliance, and identify any other opportunities for improvement.

### 2021 HOT LINE COMPLAINTS (AS OF 12/31/2021)\*

Number of Complaint Tickets Received	412
Number & Percent of Complaint Tickets Closed	411 (99.8%)
Number & Percent of Complaint Tickets Substantiated	185 (44%)

\* No forced labor complaints

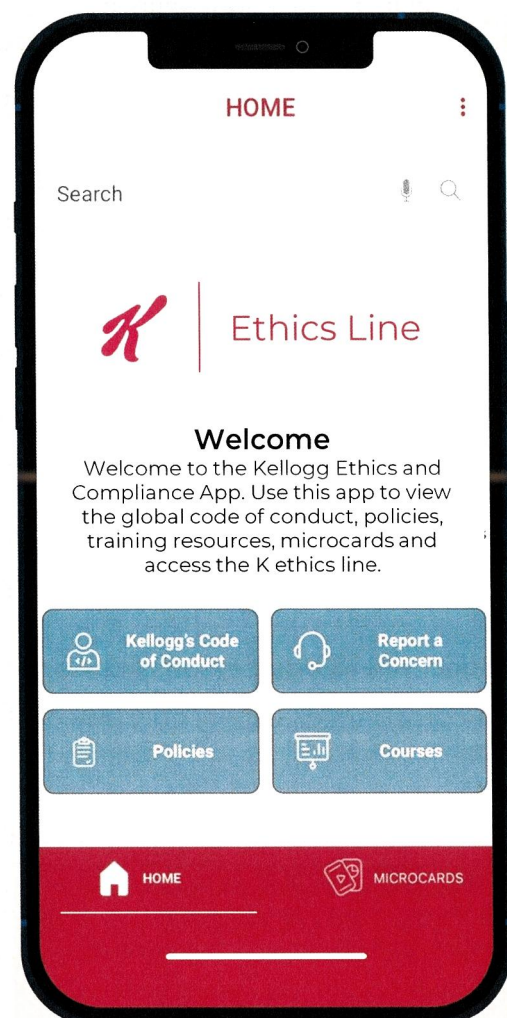
## 2021 Global Human Rights Milestones

## APPROACH

In addition to other methods of grievance reporting such as through email, hotline and direct reporting, the Kellogg Ethics Line mobile app allows users to anonymously report issues and track the progress and status of their complaint.

This mobile app is available to anyone.

Aside from the ability to report concerns, the mobile app also provides access to our Code of Conduct, relevant policies, and training courses on various topics.





## Progress On Kellogg Grievance Mechanism

- **2018-2019**

Continued Regional Partnership to identify and implement opportunities for improvement and explore pathways to promote the Ethics Hot Line beyond our employees and contractors.

- **2020-2021**

A refreshed [Code of Ethics](#) and training module was rolled out to the workforce. To reinforce the training, a 16-month series of communications is shared to bring Code provisions to life.

- **2020-2021**

Continuation of the training module roll-outs and communications to employees.

The Kellogg internal MyHR portal also provides employees with the ability to report or manage any people-related concerns or activities from 6 a.m. until 1 a.m. ET, Monday-Friday.

Complaint Topic	# Received in 2021
Accounting, Auditing and Financial Reporting	13
Business Integrity	59
Environment, Health and Safety	58
HR, Diversity and Workplace Respect	257
Misuse, Misappropriation of Corporate Assets	25
Forced Labor	0
<b>Total</b>	<b>412</b>

### ELEVATE Supplier Assessment – 2021/2022

In 2019, Kellogg partnered with [ELEVATE](#) to develop a comprehensive long-term, data driven responsible sourcing strategy that addresses salient rights risks within priority Tier 1 ingredient and packaging supply chains. For the first two phases of this program, we concentrated on segmentation and categorization of in-scope\* suppliers and execution of risk assessments for prioritized Tier 1 supplier sites.

Based on the initial segmentation results, Kellogg and ELEVATE partnered with 16 suppliers representing 27 individual site locations to administer four types of risk assessments. Each site location was assigned at least one assessment type. The type of assessment administered was chosen based on criteria such as geographical location, primary facility operation, migrant worker presence, and inherent social risks. These assessments included:

- Worker Voice Survey:
  - Worker Sentiment Survey, or
  - Critical Issues Survey
- On-site Social Assessment – ELEVATE Responsible Sourcing Assessment (ERSA)
- Child Labor Self-Assessment Questionnaire (SAQ)

Our goal for the execution phase of the program was to partner with our Tier 1 suppliers to gain a deeper understanding of potential and actual human rights risks present within our direct supply chain. By using assessment types that focus on targeted information related to inherent social risks we sought to go beyond standard audit data collection and achieve actionable insights to address issues that directly affect workers on site.

The assessment execution phase ran primarily from November 2020 through April 2021, with full site completion by the end of 2021. For results and analysis, please see our 2020 Human Rights Milestones report [here](#).

\* Top 80% global spend suppliers plus all suppliers within high-risk categories for cocoa, palm oil, and sugar cane



### ELEVATE Supplier Assessment – Remediation 2022 | cont.

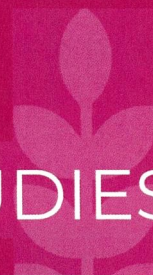
In 2022, we kicked off phase three—remediation and capacity building—with participating supplier sites. During this phase, supplier site representatives had the opportunity to work back with the Elevate team to action on issues found during the assessment process. The goal for the remediation and capacity building engagements was to help each site understand the results of the specialized assessment, build internal capacity to manage and further investigate risks, remediate identified issues, and implement effective preventive actions to mitigate future risk.

Beginning with a review of the site's specialized assessment results, the ELEVATE team and site representatives worked to identify potential root causes for issues, identify areas for improvement, participate in eLearning courses to share best practices, and support development of a timebound action plan to remediate issues identified through the assessments.

The remediation phase concluded at the end of 2022 and results and analysis will be available in our next Human Rights Milestones report Spring 2023.







As part of our [responsible sourcing](#) goals for our priority ingredients, we directly invest in [Kellogg's Origins™](#) programs with farmers to remedy salient, adverse human rights impacts in the agricultural portion of our supply chain. This section provides 2021 case studies from *Kellogg's Origins™* created to promote and protect human rights at origin. Where relevant, these programs also provide funds or technical assistance to promote farmers' climate resilience and restore local ecosystems through improved agricultural practices.



### Vanilla in Madagascar

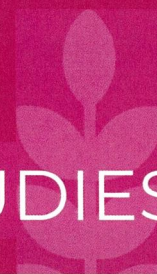
Beginning in late 2019, Kellogg partnered with vanilla supplier [Symrise](#) on a three-year project to support smallholder vanilla farmers in the remote Ankavanana district of the SAVA region in North-Eastern Madagascar. Part of *Kellogg's Origins™*, the initiative is also a Symrise “BRIDGING THE GAP” UN SDG Global Compact program, a development partnership partly financed through the German Federal Ministry for Economic Cooperation and Development (BMZ). This work contributes to our *Kellogg's® Better Days Promise* global commitment to [support 1 million farmers and agronomists globally](#), including women and smallholders, by the end of 2030. It also brings to life our commitment to supporting regenerative agricultural practices that are more resilient to climate change impacts throughout our global supply chains.

In addition, the work contributes to the realization of [UN Sustainable Development Goals](#), including SDG1 (No Poverty), SDG2 (Zero Hunger), and SDG17, which encourages global partnership for sustainable development.

Designed to bring holistic benefit to 12 underserved communities, the project has been addressing complex social and economic issues present within the region to improve overall livelihoods, support inclusive communities, and increase access to educational opportunities for local children.

In addition to the Symrise team members, partnership with local NGOs has been instrumental. Their experience and community relationships have helped drive the successful implementation of a range of activities such as farmer training programs, Community Based Savings Groups, activities to supplement income through diversified cultivation and animal husbandry, registration for regional health programs, agroforestry, and educational support for local youth.



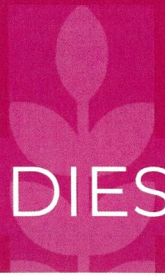


### Vanilla in Madagascar | cont.

#### Project Highlights in 2021

- Despite ongoing challenges due to COVID-19, Symrise and the Support Organization for Rural Development in Madagascar (OSDRM) trained 14 area farmers on demo plot set-up and peer to peer training to support community members in setting up their own plots to create new opportunities for improving land management practices.
- Community Based Saving Groups (CBSGs) in the 12 participating villages have increased from 11 as of April 2021 to 17 as of March 2022 with membership increasing from 183 to 280.
- Women represent 41% of total CBSC membership and make up 19% of the CBSC leadership.
- Three mandarin and combava tree nurseries have been set up in the three municipalities .
- Since 2019, 431 households representing 2,200 beneficiaries have been registered with the Mahavelona mutual health care system, which provides free access to doctors, hospitals and subsidized medication.
- 2,828 students in 13 schools have benefited from educational support activities including teachers' salaries payments, books and teaching material purchases, and school roof repairs.





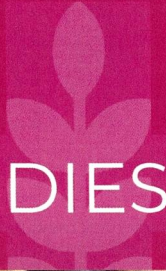
### Sultanas in Turkey

Every summer, tens of thousands of seasonal workers migrate across Turkey to work in agricultural production. They travel as families, moving from crop to crop for six to eight months each year, harvesting in the fields. It is common for children to work alongside their parents, contributing to the household income—but at great cost to their own development.

In 2020, Kellogg joined the [Fair Labor Associations'](#) (FLA) [Harvesting the Future Project](#) (HTF) to advance our work in addressing human rights issues at origin and support the responsible sourcing of sultanas originating in Turkey.

The Harvesting the Future (HTF) project grew from a vision to bring about far-reaching change in child protection and responsible recruitment to field workers by pursuing a “multi-sector, multi-stakeholder, and multi-geography approach.” Companies that wanted to support meaningful and sustainable change for workers but were limited in creating a large-scale impact working on their own, joined forces through this project.





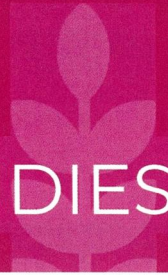
### Sultanas in Turkey | cont.

During 2020, we worked together with FLA to engage our suppliers in the project and commence the supply chain mapping and risk assessment process. Two of our sultana suppliers were already active in the project prior to us joining and have been involved from the start. Two additional sultana suppliers joined with Kellogg support. As a result of Kellogg's and others' partnership, the project has been able to engage with 8 of the most prominent sultana suppliers in the region. Companies and suppliers, through risk assessments at the farm level, developed a shared commitment on six priority issues: child labor, including the risk level for various commodities; hazardous work by young workers; informality of employment relations; excessive working hours, including for children; lack of payment of minimum wages; and lack of access to basic services, such as water, hygiene, sanitation and child protection.

In June 2021, the HTF Project kicked off Phase 2. Running through the end of 2023, this phase builds on the assessments carried out during Phase 1 and focuses on areas that were identified as high priority:

- Child protection and child labor remediation,
- Elimination of hazardous work for workers under age 18,
- Access to basic services for seasonal migrant families in agriculture,
- Responsible recruitment and,
- Grievance mechanisms





### Sultanas in Turkey | cont.

This phase focuses on remediation and will equip project partners through a series of six modules. Module content varies to match the maturity levels of suppliers' internal human rights due diligence and remediation programs, resources, and the commitment levels of the supply chain partners and companies. The core modules include:

- Module 1: Child Protection and Remediation
- Module 2: Farm Level Monitoring
- Module 3: Access to Basic Needs and OHS
- Module 4: Responsible Recruitment

### Project Highlights in 2021

- Delivery of online trainings to 48 members of the supplier teams on worker rights in agriculture and internal monitoring processes..
- Field visits during the harvest season provided further risk assessment and internal monitoring support by FLA's regional implementation partner..
- 12 trainings on decent work principles were delivered in seven cities reaching to 204 members of the Agriculture Chamber.
- Project teams organized three meetings for project partners and three commodity-based (hazelnut, sultana, and spice) working group meetings.
- Continued capacity improvements of the participants to tackle core labor rights challenges such as child labor.
- Increased coordination and implementation of responsible recruitment principles and child protection programs in companies' supply chains.

# 2021 Global Human Rights Milestones

# CONCLUSION

## MOVING FORWARD

As we continue our responsible sourcing journey and work to embed human rights due diligence into our operations and supply chains, we will continue to build awareness and share best practices regarding salient human rights issues. We remain committed to furthering our efforts to increase visibility and transparency into the lower tiers of our highest risk areas and commodities.

We will continue to seek partnership with our suppliers, peers and civil society to mitigate, remediate, and prevent adverse human rights impacts within our value chain.

We know that the tools to build a sustainable and ethical supply base are often found through activities deemed to be “beyond compliance”. We will strive to increase our efforts through robust policies and procedures to support the fair and appropriate representation of all affected stakeholders.

## CGF PRIORITY INDUSTRY PRINCIPLES ON FORCED LABOR

Kellogg supports the CGF Priority Industry Principles on Forced Labour for both our own operations and our suppliers. As with other policies, we require the dissemination and adherence of these principles throughout our supply chain.

EVERY WORKER SHOULD HAVE FREEDOM OF MOVEMENT >>>>

NO WORKER SHOULD PAY FOR A JOB

NO WORKER SHOULD BE INDEBTED OR COERCED TO WORK

## EXTERNAL MEMBERSHIP

- [AIM-PROGRESS](#) – Leadership Team and Responsible Recruitment Work Group Co-Lead
- [Consumer Goods Forum](#) (CGF) – Multiple work groups including the Coalitions for Human Rights/Forced Labor and the Sustainable Supply Chain Initiative (SSCI)
- [Roundtable on Sustainable Palm Oil](#) (RSPO)
- [North American Sustainable Palm Oil Network](#)
- [United Nations Global Compact](#) (UNGC)
- [United Nations Women's Empowerment Principles](#)
- [SEDEX](#)
- [Palm Oil Transparency Coalition](#)



# KELLOGG COMPANY 2021 GLOBAL HUMAN RIGHTS MILESTONES



Approved by Directors July 2023

Kellogg Marketing and Sales Company (UK) Limited

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Print Name: Chris Jones

Title: Director

Date: 24/7/23

Kellogg Company of Great Britain Limited

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Print Name: Philip Jones

Title: Director

Date: 24/7/23

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Print Name: Ben Lamont

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Date: 24/07/23.

*Kellogg's*

