Living Our Founder's Values KELLOGG COMPANY 2022 GLOBAL HUMAN RIGHTS MILESTONES



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Note: In late 2023, Kellogg Company separated its North American cereal business and became Kellanova, a leading company in global snacking, international cereal and noodles, plant-based foods, and North America frozen breakfast. Although this Milestones report covers Kellogg Company FY2022, links to company documents are directed to current Kellanova documents because Kellogg Company no longer exists and, thus, has no web presence.



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 DaysTM Promise, recognizing that "people must be our competitive advantage." Kellogg's Better DaysTM 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. (Note: Now the <u>Kellanova Better DaysTM Promise</u> to create better days for 4 billion people by the end of 2030 (from a 2015 baseline)).

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, in 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 and support innovative solutions through continued collaboration.



To better communicate our responsibilities, commitments and expectations, our <u>Global Human Rights Policy</u> aligns with the <u>UN Guiding Principles on Business and Human Rights (UNGPs)</u>. By taking a risk-based approach, we strive to ensure we are focusing on issues 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 <u>Global Supplier Code of Conduct</u> and <u>Policy Statement Prohibiting Involuntary Labor</u>, that guide our operations and inform our expectations for supplier and supply chain partnerships.

Furthermore, Kellogg 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 <u>United Nations</u>

<u>Global Compact</u> and the <u>Women's Empowerment Principles</u>. We also reference and follow the

<u>OECD Guidelines for Multinational Enterprises</u>. 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 our 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, President and CEO





Our Business

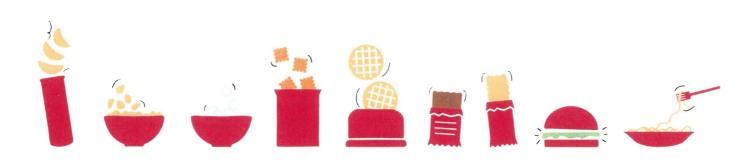
Kellogg is a global consumer goods company with manufacturing operations in 21 countries and products marketed in 180 countries.

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.



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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, Corporate Affairs 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 Company's corporate culture. Our Office of Ethics and Compliance 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 Ethics Office 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 <u>Sedex</u> 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



Brazil Colombia Thailand Mexico



Ghana Cote d'Ivoire



Malaysia Indonesia



Own Operations

46
TOTAL OWNED

FACILITIES

35%

FACILITIES CONSIDERED HIGH RISK 31%
HIGH RISK FACILITIES
AUDITED IN 2021/2022

In 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

79%

84%

87%

88%

NORTH AMERICA

AMEA

FUROPE

LATIN AMERICA

As of December 2022, 83% of global in-scope suppliers have registered with the Sedex platform; of those, 75% 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 regarding 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 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 12/31/2022)*

Number of Complaint Tickets Received 479

Number & Percent of Complaint Tickets Closed 461 (96.2%)

Number & Percent of Complaint Tickets Substantiated 173 (36.1%)

* No forced labor complaints

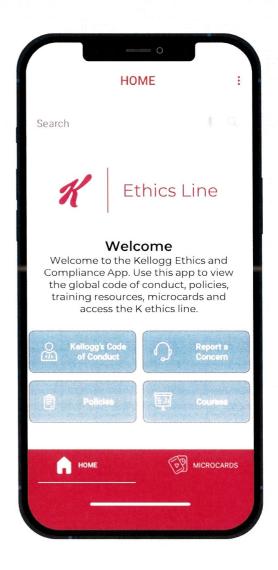




In addition to other methods of grievance reporting such as through email, hotline and direct reporting, the Kellogg Ethics Line mobile app allows users to anonymously report issues and track the progress and status of their complaint.

This app is available to anyone.

Aside from the ability to report concerns, the 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 Hot Line beyond our employees and contractors.

2020-2021

A refreshed <u>Code of Ethics</u> and training module was rolled out to the workforce. To reinforce the training, a 16-month series of communications was introduced to bring Code provisions to life.

2020-2022

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

Kellogg Ethics Hot Line:

Complaint Topic	# Received in 2022
Accounting, Auditing and Financial Reporting	14
Business Integrity	49
Environment, Health and Safety	73
HR, Diversity and Workplace Respect	327
Misuse, Misappropriation of Corporate Assets	16
Forced Labor	0
Total	479



ELEVATE Supplier Assessment - 2022

In 2019, Kellogg partnered with <u>ELEVATE</u> 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 that identified 46 priority sites, 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. Overall, 30 assessments were deployed. The type of assessment administered was chosen based on criteria such has 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 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 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 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.

Phase 1: Supplier Segmentation Segmenting sites accord

Segmenting sites according to risk to identify priority sites

Phase 2: Specialized Tier 1 Tools

Implementing assessments specialized according to Priority Site risks

Phase 3: Remediation & Capacity Building

Working with the sites on both their corrective actions and also capacity building on specific topic areas identified during the assessment



ELEVATE Supplier Assessment - 2022 | cont

Opportunities for remediation were identified at all 27 sites. These opportunities were addressed in multiple ways, including evidence reviews, assigned eLearnings and capacity building. Each site received a slide deck with an overview of its specific results and an overall score from 0 – 10. A project plan also was created for each site to inform root cause analysis and corrective actions, plus deadlines for actions. Project plans were completed for 21 sites, plans were incomplete for four sites, one site only completed the results discussion, and one site cancelled its participation.

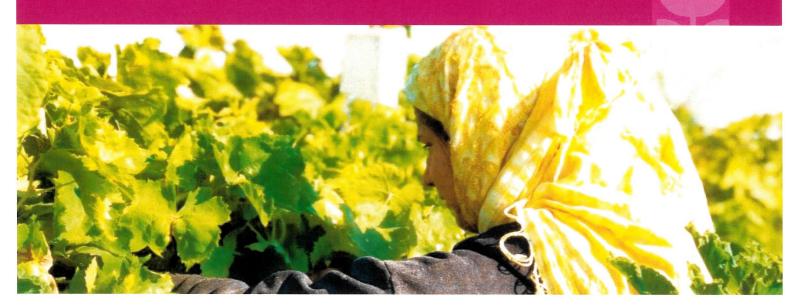
Overall, the work was well-received by suppliers. In the future, ELEVATE recommended that we identify points or another system to incent supplier participation and that we conduct a deeper dive into the supplier engagement practices of suppliers who are more challenging to work with. ELEVATE also recommended Kellogg engage more fully with cooperative supplies to understand and learn from their processes.

CASE STUDY



As part of our <u>responsible sourcing</u> goals for our priority ingredients, we directly invest in <u>Kellogg's OriginsTM</u> programs with farmers to remedy salient, adverse human rights impacts in the agricultural portion of our supply chain. This section provides a 2022 case from *Kellogg's OriginsTM* 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.

CASE STUDIES



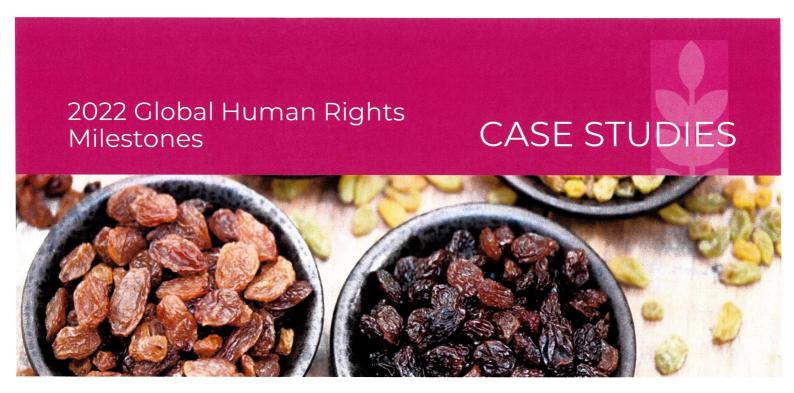
Sultanas in Türkiye

Every summer, tens of thousands of seasonal workers migrate across Türkiye 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) <u>Harvesting the Future Project</u> (HTF) to advance our work in addressing human rights issues at origin and support the responsible sourcing of sultanas originating in Türkiye.

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 Türkiye | 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 Company's and others' partnership, the project has been able to engage with eight 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
- Grievance mechanisms





Sultanas in Türkiye | cont.

This phase focused on remediation and equipped project partners through a series of six modules. Module content varied 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 included:

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

2021 Project Highlights

- Online trainings were delivered 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 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.
- Participants continued to improve their capacity to tackle core labor rights challenges such as child labor.
- Companies increased coordination and implementation of responsible recruitment principles and child protection programs in their supply chains.



Sultanas in Türkiye | cont.

2022 Project Highlights

- Three field visits were conducted with growers during harvest season to assess progress in priority areas at three companies involving more than 420 farmers in the pilot project.
- 43 farmers were provided training on migrant worker conditions, including accommodation conditions, health and safety and payments.
- 57 farmers participated in training sessions on health and safety, including the use of PPE and meeting basic needs such as water and hygiene.
- Two of the companies successfully developed child labor policies that will impact 5,000 6,000 farmers. The companies are currently introducing the policy to farmers.
- Farm-based monitoring and responsible-recruitment activities continue to increase among all three participating companies.
- Little progress was made on instituting grievance mechanisms and evaluating living wage data at this stage. Priority was given and progress was made on furthering child labor remediation, farm-level monitoring, responsible recruitment and health & safety.





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 those of our
suppliers. As with other
policies, we require the



dissemination and adherence of these principles throughout our supply chain.

EXTERNAL MEMBERSHIP

- <u>AIM-PROGRESS</u> 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



Approved by Directors June 2024

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