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## FROM OUR CEO

“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

## OVERVIEW

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 social responsibilities extend throughout our global value chain- from our employees, to our suppliers, stakeholders, people who enjoy our foods, civil society, and to the people and communities where our foods are grown and made.

Our founder’s values live on today in our Deploy for Growth global business strategy, which starts with “people must be our competitive advantage.” Kellogg is committed to protecting, respecting, and advancing the cause of human rights across our value chain in our work both internally and externally.

Kellogg is committed to resilient and responsible global supply chains, including responsible sourcing that respects and advances the cause of human rights. Through our Kellogg’s [Better Days](#) global purpose platform, we’re committed to supporting 1 million farmers, women and workers through programs focused on climate, social and financial resiliency. These programs are built through stakeholder engagement and by partnering with suppliers, NGOs, research groups and others to provide incentives, training, and/or technical assistance to deliver social and environmental outcomes. To date, we’ve positively impacted more than 430,000 farmers and workers through 40+ Kellogg’s Origins™ programs worldwide.

**Kellogg is a leading global plant-based food company that spans 21 countries across six continents and produces over 1,000 products that are marketed in more than 180 countries.**



## EXTERNAL ALIGNMENT AND CORPORATE GOVERNANCE

In accordance with the [United Nations Guiding Principles on Business and Human Rights \(UNGPs\)](#), Kellogg understands human rights to be those expressed in the [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.

This policy, and our human rights strategy, were developed in accordance with our overall corporate governance. At the board level, human rights are overseen by the Social Responsibility and Public Policy committee of the Kellogg Board of Directors.

At the executive level, human rights issues are overseen by the Chief Sustainability Officer, who reports to the Senior Vice President, Global Corporate Affairs. We also convene a global cross-functional team comprised of Sustainability, Human Resources, Procurement, Environment Health & Safety, Communications and Legal to assess and track our global activities to inform our Human Rights Policy and strategy. This team 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.

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 with different aspects of responsibility.

Internal accountability is an important aspect of Kellogg'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.

## **SALIENT RISKS IN A GLOBAL FOOD SUPPLY CHAIN**

In 2019, Kellogg worked with an international consulting firm to assess salient risks in our operations, through our supply chain and at the origin of our ingredients. The assessment was informed by internal subject matter experts, stakeholder consultations, reputable open-source databases<sup>1</sup>, and participation in industry groups and workstreams focused on human rights within our sector. This work identified our most salient issues based on a materiality analysis across our value chain. Kellogg has used this assessment to communicate awareness, focus, and accountability for human rights issues most impacted by our operations and applicable to our employees and supply chain operations. This includes risk identification, measurement and assessment, and remediation when and if adverse impacts are found within our supply chain. Risk is determined by various factors including region of operation location, sector or commodity, degree of salience to industry identified issues, and supplier specific information.

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<sup>1</sup> DOL iLab, Elevate's EiQ platform, and Sedex Radar in addition to other reputable sources of data

Seven risks were prioritized, all of which are systemic challenges due to the inherent risks of the commodities, geographies, and our operations across our supply chain. These salient risks align to the guidance of the UNGPs as those that pose the greatest risk to people and that can have the most severe impact as a result of a company's activities or business relationships.

*Risks Identified and Mitigation Steps:*

## Forced Labor

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### *Our Operations*

As codified in our [Policy Against Forced Labor](#), Kellogg Company prohibits involuntary labor, including forced, indentured, bonded, slave or human-trafficked labor, within our business operations and our supply chain. In accordance with the ILO definition of forced labor, we shall not facilitate the use of, forced labor in any of its manifestations including involuntary, compulsory, indentured, bonded, slave, or human-trafficked labor.

Employees shall not be coerced to work through the use of violence or intimidation or through means such as manipulated debt, retention of identity papers, or threats of denunciation to immigration authorities. We also adhere to and support the [Consumer Goods Forum's Priority Industry Principles on Forced Labour](#) that state, "No worker should pay for a job, every worker should have freedom of movement, and no worker should be indebted or coerced to work."



### *Our Supply Chain & Origins*

Our suppliers are also subject to these same requirements and further information can be found in our [Global Supplier Code of Conduct](#).

## Child Labor

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### *Our Operations*

We prohibit the use of child labor as defined by the guidance provided by the ILO on business and child labor. We respect national law regarding minimum working age and type of work determinations according to the [Minimum Age Convention No. 138](#) and the [Worst Forms of Child Labour Convention No. 182](#). We also support the [1998 ILO Declaration on Fundamental Principles and Rights at Work](#).



## *Our Supply Chain & Origins*

In addition to our [Global Supplier Code of Conduct](#), we also require that suppliers shall not employ anyone under the age of 15, under the minimum age of work, or under the minimum age for completing mandatory schooling as specified by local law. Suppliers must follow the higher law/requirement in instances where there is a contradiction. Per the ILO, any work that is likely to jeopardize children's safety or physical, mental, or moral health should not be done by anyone under the age of 18.

## Migrant Labor

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### *Our Operations*

Kellogg prioritizes the protection of human rights throughout our value chain and gives particular attention to groups with an increased risk of marginalization, such as people who have migrated internally or cross-borders for employment. Our focus is to ensure that migrant workers are aware of their rights, have their rights respected, and have the ability to report and remediate any issues.



### *Our Supply Chain & Origins*

Suppliers must respect their employees by ensuring them, within the context of the supplier's business operations, a right to life, personal liberty, and personal security. Special attention to ensuring these rights are upheld should be given to those who are at heightened risk for vulnerability or marginalization such as women, young people, indigenous peoples, minorities, people with disabilities, and migrant or foreign workers. Further details can be found in our [Global Supplier Code of Conduct](#).

## Health & Safety

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### *Our Operations*

Kellogg has always been committed to operating ethically and safely; it's something we prioritize every day. In 2019, we are proud to have been the first food company ever chosen as a finalist for the National Safety Council's prestigious [Robert W. Campbell Award](#) recognizing excellence in environment, health and safety. We continue to make progress addressing safety across our organization. In 2019, we had no fatalities and our global Total Recordable Incident Rate (TRIR) dropped 29% to 0.40. Our global Lost Time Incident Rate (LTIR) also dropped 32% to 0.22. Both rates are the lowest in our company's history and well below industry standards. We ensure that all employees are provided safe and healthy working conditions that comply with all applicable health and safety laws, regulations, and internal requirements including those for physical environment, occupational safety, housing, and emergency preparedness.



### *Our Supply Chain & Origins*

Within our supply chain, and per the [Global Supplier Code of Conduct](#), we require suppliers to provide their employees safe and healthy working conditions, including potable drinking water, adequate sanitation, lighting, temperature, ventilation, and suitable facilities for women's health needs. Facilities should be structurally sound and well maintained in accordance with all applicable laws and regulations.

## Discrimination and Harassment



### *Our Operations*

We treat all employees with respect and dignity and require the same of our supply chain partners. This means ensuring a work environment that is free from bullying, intimidation, coercion, corporal punishment, or harassment in any form, including physical, psychological, sexual, or verbal. Special attention is given to those who are at heightened risk for vulnerability or marginalization due to age, color, race, ethnicity, disability, family or marital status, gender identity, gender expression, nationality, religion, sex, or sexual orientation.

We act in accordance with [ILO Convention No. 111 on Discrimination \(Employment and Occupation\)](#) and make employment decisions including hiring, payment, benefits, advancement, termination, and retirement based on ability, qualifications, and achievements without preference or exclusion based on age, color, race, ethnicity, disability, family or marital status, gender identity, gender expression, nationality, religion, sex, sexual orientation, temporary, contracted, or permanent employment, or other status.

Kellogg Company is also committed to growing and developing sustainable relationships with diverse businesses. These small and diverse businesses include those that are majority-owned by people who are disabled, indigenous, lesbian, gay, bisexual, transgender, minorities, veterans, and women. We strive to uncover expansion opportunities with existing diverse suppliers, uncover and remove obstacles for potential diverse suppliers, and deliver supplier engagement and educational programming.

We are committed to achieving full representation and inclusion of black and minority talent at director+ levels and holding leaders accountable for representation of black and minority employees; investing to accelerate the development and promotion of black and minority employees; increasing our investment in D&I learning; establishing a network of senior-most minority VPs to review racial equity progress; investing in black-owned and diverse suppliers; activating and embedding multicultural considerations within our commercial strategy and continuing our commitment to fighting racial inequality through our support of NAACP.



### *Our Supply Chain & Origins*

Our suppliers are also subject to these same requirements, including demonstrating that women and men with similar ability, qualifications, and achievements are afforded similar work opportunities, wages, benefits, contract terms, and facilities. Further details can be found in our [Global Supplier Code of Conduct](#).

We also expect that our suppliers are making strides to ensure a fair and balanced working environment for all employees with regards to age, color, race, ethnicity, disability, family or marital status, gender identity, gender expression, nationality, religion, sex, sexual orientation, temporary, contracted, or permanent employment, or other status.

We encourage our supplier network to embrace our priority of growing and developing sustainable relationships with diverse businesses and endeavor to use companies with diverse ownership throughout their own supply chains, giving disenfranchised groups additional consideration to cultivate a culture of diversity throughout our collective supply chain. Evaluation of supplier diversity efforts occurs throughout the strategic sourcing process, within category strategy development, active bidding and clarification, contract creation, and supplier performance management. Supplier expectations are renewed and reviewed annually with our external partners, based upon segmentation, covering participation and results in various supplier diversity programs

## Wages



### *Our Operations*

We are committed to the fair compensation of all workers, at a minimum, in compliance with all applicable wage laws, rules and regulations, including those associated with legally mandated benefits, overtime work, and other premium payment situations. Wages are applied at a rate that is comparable with relevant standard industry living wage compensation.



### *Our Supply Chain & Origins*

All suppliers must provide fair compensation that is in accordance with all applicable wage laws and national requirements. We also encourage suppliers to conduct living wage assessments and compensate according to industry living wage averages. Also, suppliers shall provide employees with timely payment and include transparent wage statements that can be used to verify compensation. Deductions from wages for disciplinary measures are prohibited. No deductions shall be made from employee wages other than those required by law. Loan repayments from employees to suppliers, Labor Agents/Agencies, or other affiliates, shall not include excessive interest rates or be done in a manner that creates a situation of indebtedness or indentured labor as defined by the Consumer Goods Forum.



## Working Hours

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### *Our Operations*

Throughout our own operations and our supply chain we require compliance with all applicable laws and regulations, or collective bargaining agreements, regarding maximum working hours, overtime vacation time, leave periods, maternity/paternity leave, and public holidays. All overtime hours are to be voluntary and compensated at a premium rate. Working hours are not to be excessive, such that the health or safety of the Employee are negatively impacted. Appropriate rest time, mealtime, and days off are to be provided to ensure a safe working environment and in accordance with all local laws or collective agreements.



### *Our Supply Chain & Origins*

Our suppliers are also subject to these same requirements and further information can be found in our [Global Supplier Code of Conduct](#).

With regards to Human Rights Defenders (HRDs), Kellogg supports the efforts of the Zero Tolerance Initiative and other initiatives, such as the RSPO Policy on Human Rights Defenders, Whistleblowers, Complainants and Community Spokesperson, aimed at protecting the safety, welfare, and rights of human rights defenders to speak out in defense of indigenous lands and for the community and cultural rights of indigenous communities. We do not condone violence, threats, or intimidation in any way toward HRDs. This extends to whistleblowers, complainants, and community spokespersons.

## **KELLOGG COMPANY'S COMMITMENT TO PROTECT, RESPECT, AND REMEDY**

Both internally and externally, we continue to focus on salient human rights risks within the three areas where we can drive the greatest reach and impact:

1. Kellogg Facilities
2. Tier 1 Suppliers
3. Ingredient Origin

Across each of these important areas, we'll be working to build capability, embed human rights in our standard work, and measure and report on progress.

Today, we know that the world has never been more interconnected. This means the actions of a single individual can affect people in more ways than ever before in a matter of seconds. This creates huge opportunities for Kellogg—but also risks. It's why we must be more focused than ever on "How We Do What's Right", a tenant in our Employee Code of Ethics.

When it comes to doing the right thing, our K Values™ are the foundation. They are part of our DNA. They guide the way we work with our business partners, within our communities and with each other. Through integrity, accountability, passion, humility, simplicity, and a focus on success, we have created a vibrant, ethical performance culture. We embody these values in our daily decisions and actions. This is key on our journey to protect, respect, and remedy human rights across our value chain.

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## BUILDING CAPABILITY

Kellogg has strong mechanisms in place that can be further leveraged to engage and educate employees about human rights. We'll be ensuring awareness for all employees by deploying training and plant-specific communications. We'll leverage our strong internal network to convene a cross-functional human rights working group and bring to bear learning from industry groups, grievances, and emerging issues. We'll also escalate, where appropriate, areas of opportunity through Senior Leadership and Crisis Management teams. On a regular basis, these efforts will be reviewed through the Social Responsibility and Public Policy subcommittee of the Board of Directors.

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## EMBED IN STANDARD WORK

Kellogg Work Systems, Ethics Hotline, Human Resources steering councils and other processes provide the opportunity to embed human rights into day-to-day business actions and decisions. These can also be opportunities to share best practices after strategic reviews, customer assessments, or social audits – all with the goal of reviewing overall company performance.

Kellogg will continue to assess human rights risks against our salient risks across all our facilities. Kellogg will perform third-party assessments (e.g. SMETA audits) to ensure compliance for all facilities located in high-risk geographies globally. Assessment of high-risk will be based off external standard tools. Findings will be remediated and if significant findings are identified, there will be a re-audit within one year. If no significant findings are identified, a re-audit will be performed at a minimum once every three years.

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## MEASURE AND REPORT ON PERFORMANCE

Kellogg will ensure that performance is measured and proactively shared through external reporting. As part of this, we will:

1. Launch an enhanced Ethics Hotline app to engage employees and improve the accessibility of the grievance mechanism
2. Track progress on verification of facilities in high-risk locations
3. Participate in leadership roles in external industry groups (e.g. AIM-Progress) to further Human Rights outcomes
4. Public reporting of human rights and forced labor policies annually, and associated program outcomes via annual Human Rights Milestones

## TIER 1 SUPPLIERS

In our supply chains, we seek to understand the human rights issues of our direct suppliers and support actions to identify, mitigate, and remediate issues. We also expect, as per our [Code of Conduct](#), the scope of our requirements to include all tiers of suppliers, manufacturers, contractors, joint venture partners, agents, distributors, and consultants.

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## BUILDING CAPABILITY

We are working to ensure awareness across our procurement teams and suppliers about the salient human rights risks, our human rights strategy & policies, and industry and bespoke programs. Beginning in 2021, we will train our internal teams regarding our highest risk supplier chains across tier 1 and origins. We will be supported by ELEVATE and utilize these trainings to expand and deepen our buyer's ability to recognize and act upon our salient rights issues risks within the supply chain and at sourcing.

We are committed to collaboration and partnership through the sharing of best practices, supplier capability building, development of industry standards and tools, and participating in test and learn activities. This is particularly essential regarding Human Rights issues at origin. We are active members of industry groups such [AIM-Progress](#), where we sit on the Human Rights Steering Group and Leadership Team, and the [Consumer Goods Forum](#) as members of the Human Rights Coalition of Action. Both groups provide unique and tangible ways to affect change within our operations and across our supply chains. We continue to stay close to our peers and stakeholders to align our efforts on these cross-cutting issues.

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## EMBED IN STANDARD WORK

We seek to do business with suppliers and partners that are aligned to our policies, requirements, and priorities to responsibly source our ingredients. All suppliers are required to adhere to our [Global Supplier Code of Conduct](#) which is included in all new supplier contracts and purchase orders and is a requirement for doing business with Kellogg. We reserve the right to terminate our contract with any supplier, at our sole discretion, for violations of the Code of Conduct or associated corporate policies. Currently, we engage with both existing and new suppliers during the contract review process to ensure alignment with our policies and expectations for participation in various human rights focused programs and pilots. We also give annual feedback to suppliers through our procurement performance score carding process to assess compliance and look for new avenues of partnership in this area.

Should a critical violation of our policies be reported or uncovered, Kellogg has an escalation procedure in place to ensure rapid response and immediate mitigation and remediation of the issue. We have also recently established a seven-step process for addressing externally raised grievances which can be found in our [Global Palm Oil Policy](#).

Beginning in 2020, we are piloting a new program aimed at addressing our seven salient human rights risk issues within our TI supplier network. Active supplier sites have been segmented to enable engagement with our partners under a risk-based approach, based primarily on geography and commodity. Within the high-risk group, we are deploying focused assessments, targeting the most endemic issues related to facility geographies. A robust decision process ensures we are acting upon the right issues. Our actions include a combination of audits and specialized assessments with a high priority placed on worker sentiment feedback. From pilot program findings, we will embark on any needed remediation activities with individual sites to ensure full compliance and enhance the capabilities of our supplier network. Site remediation actions will be based on results of audits and assessments.

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## MEASURE AND REPORT ON PERFORMANCE

Kellogg will ensure that performance is measured and proactively shared through external reporting. As part of this, we will:

1. Measure and share progress on supplier verification and remediation for high risk supplier sites
2. Participate in leadership roles in external industry groups (e.g. AIM Progress) to further Human Rights outcomes
3. Public reporting of human rights and forced labor policies annually, and associated program outcomes via annual Human Rights Milestones

## INGREDIENT ORIGIN

In our supply chains, we seek to understand the human rights issues of our direct suppliers and support actions to identify, mitigate, and remediate issues. We also expect, as per our [Code of Conduct](#), the scope of our requirements to include all tiers of suppliers, manufacturers, contractors, joint venture partners, agents, distributors, and consultants.

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## BUILDING CAPABILITY

We are working to ensure awareness across our procurement teams and suppliers about the salient human rights risks, our human rights strategy & policies, and industry and bespoke programs. Beginning in 2021, we will train our internal teams regarding our highest risk supplier chains across tier 1 and origins.

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## EMBED IN STANDARD WORK

Responsible Sourcing / KGS / Palm oil

Beginning in 2021, we will look to further embed social elements into our Kellogg Grower Survey (KGS). This is an annual survey given to growers from a number of different Tier 1 suppliers that assesses environmental performance and climate smart agricultural growing techniques. In addition, we also request information regarding issues such as gender, access to health and safety materials and training, on site labor, and whether farmers are able to meet their basic needs through their current activities. Our KGS refresh will include a robust section on social sustainability and on-site working conditions to better understand our sourcing base.

We are also working on the ground in commodity specific areas at ingredient origin. In 2020, we partnered with Wild Asia to support the Wild Asia Group Scheme (WAGS) program to increase the production of sustainable palm oil by smallholders and to help them connect to global markets. We will directly support funding and training of independent smallholders in Malaysia to improve their production processes, social and environmental performance, and transition to certified sustainable palm oil. A portion of this funding also goes toward sustainable agriculture training and working with producers on how to improve yields and income with fewer inputs.

This is in addition to our current Origins program work that combine agricultural and social elements at ingredient site to help promote and achieve our responsible sourcing goals and outcomes.

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## MEASURE AND REPORT ON PERFORMANCE

Kellogg will ensure that performance is measured and proactively shared through external reporting. As part of this, we will:

1. Build farmer- and worker-facing programs through stakeholder engagement that protect, respect, and mitigate human rights
2. Publicly share our Kellogg Grower Survey and share how human rights are embedded
3. Track grievances and remediation for high risk supply chains, such as palm oil
4. Participate in leadership roles in external industry groups (e.g. AIM Progress) to further Human Rights outcomes
5. Public reporting of human rights and forced labor policies annually, and associated program outcomes via annual Human Rights Milestones

**Overall, as a global company, our principle is that where national law and international human rights standards differ, we will follow the higher standard; where they are in conflict, we will adhere to national law, while seeking ways to respect international human rights to the greatest extent possible.**

The purpose of this Global Human Rights Policy is to reaffirm and communicate our expectations, requirements, and views on the status of human rights within our global supply chain and owned operations. We are committed to embedding human rights considerations throughout all our operations and to ensuring responsible, safe, and respectful workplaces for all.