



Kellogg Company
Climate Policy

Overview

Kellogg has long been committed to doing what's right for the environment and society. We are working on multiple fronts to further reduce our greenhouse gas (GHG) emissions and waste, as well as the energy and water we use. As we do so, we value continued engagement and discussion with NGOs and other external stakeholders on the important issues of environmental and social responsibility.

We recognize that upstream agriculture emissions are the single largest source of emissions in our value chain and will focus our efforts on achieving agricultural emissions reductions. There is growing consensus that global mean temperature must be limited to less than 2 degrees Celsius above preindustrial levels in order to avoid permanently altering the atmosphere and negatively impacting the environmental, social and economic systems that sustain us – both today and in the future.

We're pleased to have been recognized for our commitment to an "ambitious timeline to stop deforestation" from our palm oil supply chain. Similarly, we do not purchase soy from tropical deforested regions, and more than 80 percent of our box cartons are made from recycled fiber content with all remaining box carton material either recyclable and from certified sustainable sources.

As stated in our Kellogg Global Supplier Code of Conduct, we expect suppliers to support our corporate responsibility commitments by implementing sustainable operating and farming practices, and agricultural production systems. Suppliers must strive to reduce or optimize agricultural inputs; reduce greenhouse gas emissions, energy and water use; and minimize water pollution and waste, including food waste and landfill usage.

We regularly engage with stakeholders on the important topic of climate change, along with a wide range of issues. In addition to customers and suppliers, this includes Consumer Goods Forum, Global Environmental Management Initiative, Carbon Disclosure Project, Sustainable Agriculture Initiative, and others.

As an example, Kellogg strengthened our commitment to climate action by making a commitment under President Obama's Climate Data Initiative. Together with the University of Minnesota's Global Landscapes Initiative, Kellogg committed to openly share data and maps that illustrate how climate change affects risks to major crops within the global food system.

Kellogg also is involved in collaborative initiatives with growers, suppliers and external partners to encourage agricultural sustainability. These include Field to Market, Sustainable Rice Platform, Sustainable Agricultural Initiative Platform, AIM-Progress, International Rice Research Institute (IRRI), United Nations Environment Program (UNEP) and others.

To further implement our commitment to climate action, Kellogg will:

- Continue our commitment to reduce greenhouse gas emissions by defining and disclosing a total supply chain greenhouse gas emissions reduction target and action plan that includes scope 1, 2,

& 3 emissions, including agricultural emissions, by December 2015. To establish a robust emissions baseline and associated target we will require our key suppliers to measure and publically disclose their emissions and reduction targets. We will therefore establish Scope 1, 2 & 3 targets, which will be regularly reviewed, and are consistent with a 2 degrees Celsius science-based methodology approved and endorsed by industry and other stakeholders.

- Establish a climate change adaptation strategy that incorporates the needs of smallholders in our supply chain by December 2015.
- Continue supporting the Consumer Goods Forum pledge to help achieve zero net deforestation for soy, palm oil and timber supply chains by 2020, and encourage industry associations and peers to join the commitment. We also intend to encourage industry associations, including Grocery Manufacturers Association, as well as peers to engage in meaningful climate action. We will report on industry engagement annually.
- Build on strong palm oil commitment by expanding our zero net deforestation pledge to include other ingredients and materials at high-risk for deforestation within our supply chain, including packaging fiber, soy, and sugar cane. Our aim is to achieve zero net deforestation in high-risk supply chains by 2020. We will report progress towards achieving this goal by December 2015.
- Continue to report annually through the Carbon Disclosure Project and Forests Information Request on our Scope 3 emissions, and will disclose top three suppliers for palm oil, sugar cane, and soy by September 30, 2014.
 - Palm Oil: Cargill, AAK, ADM (Updated suppliers as of 2014)
 - Sugar Cane: American Sugar Refining, Redpath, Beta San Miguel, Sugar Australia (Updated suppliers as of 2014)
 - Soy: Bunge, Cargill, ADM (Updated suppliers as of December 2014)
- Sign on to the Climate Declaration and join Business for Innovative Climate and Energy Policy (BICEP) by September 30, 2014.
- Review, update and report on company policies, commitments and statements to align with climate mitigation targets, plans, and adaptation initiatives. Where material, we will report on governance- related activity on climate policy.
- Include climate and deforestation policies in our Supplier Code of Conduct and supplier expectations, and assess supplier practices for all high-risk commodities of material significance, taking action to address material issues where needed. We will take a similar approach in new markets where we may expand our business in the future.