

Progress Against Forced Labor: Update 2016-2017

Report generated to satisfy requirements for CTSCA and UKMSA

Issued June 2017



Our Commitment

At Kellogg, we operate according to our vision and purpose to *enrich and delight the world through foods and brands that matter* and to *nourish families so they can flourish and thrive*. Helping people is in our DNA. Our founder, W.K. Kellogg exemplified this through his commitment to people, the way he conducted business, treated employees, and served the community.

As a continuation of this legacy and in recognition of our position as a global corporate citizen, we are committed to upholding and advancing the cause of human rights. We acknowledge the real and present threat of forced labour and will continue to work collaboratively and within our own network to identify and mitigate these risks.

Our Business

Kellogg Co. is a global consumer goods company that manufactures and markets ready-to-eat cereal and convenience foods such as cookies, crackers, savory snacks, toaster pastries, cereal bars, fruit-flavored snacks, frozen waffles, and veggie foods. We have manufacturing operations in 21 countries and directly employ approximately 37,369 people. 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.

Policies and Governance

In 2016, in recognition of the United Nations Guiding Principles, the Universal Declaration of Human Rights, the standards and conventions set forth by the ILO, the UN Global Compact, and the OECD Guidelines for Multinational Enterprises, we published our [Human Rights Position Statement](#) and [Policy Statement Prohibiting Involuntary Labor](#) outlining our commitments to protect and advance the cause of human rights throughout our operations and value chain. Along with our [Global Supplier Code of Conduct](#) and [Resource Guide](#), these documents provide the foundation of our expectations and requirements for doing business. Our internal and external due diligence processes, operational governance structure, and approach to mitigating and remediating human rights issues and grievances are detailed in the above and in our [2016 Sustainability Milestones](#) report and our [2017 Global Palm Milestones](#) update.

U.S. Plants: 27



INTERNATIONAL MANUFACTURING PLANTS

Progress Against Forced Labor: Highlights

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2016 - ACTIONS - 2017

OWN OPERATIONS

- Completed full registration, SAQ gap analysis, and cross-functional review **for all Asia Pacific facilities in Sedex**
- Developed robust **Contracted Labor Service Provider tracking and assessment program** to ensure compliance and protection for contracted workers in our Asia Pacific facilities
- Began **facility gap analysis** and SAQ review in Europe, North America, and Latin America (completion pending)
- Direct **training** of executive leadership in target functions on the PIPs and human rights in the supply chain

SUPPLY CHAIN

- Completed first round of **Farm level audits** for targeted farms within Turkey apple supply chain to assess processes and interview migrant workers
- Piloted **worker voice survey** technology with 4 supplier factories in India and Malaysia to gather information related to program implementation change rate tracking through worker well-being assessment
- Hosted **Supplier Days** for targeted North American suppliers to disseminate best practices, including awareness building for forced labor issues and communication of policy updates

EXTERNAL ENGAGEMENT

- Consumer Goods Forum
- AIM-Progress (chair)
- Sedex
- RSPO
- UN Global Compact

NEXT STEPS

- Continue to build awareness and share best practices regarding salient human rights issues
- Scale up efforts to increase visibility into lower tiers of high risk supply chains
- Continue to build upon current programs for compliance and third party verifications

Recent Recognitions

- Ranked Top US-Based Company for Human Rights Performance** - 2017 Corporate Human Rights Benchmark
- Ranked 4th Overall** - 2016 OXFAM Behind the Brands Scorecard (Most Improved Brand)
- Ranked 7th Overall** - 2016 Know the Chain benchmark

69%

Percent of Top 80% Spend Global Ingredient Suppliers registered in Sedex

64%

Percent of Top 80% Spend Global Packaging Suppliers registered in Sedex

25%

Increase in # of suppliers engaged through Sedex and 3rd party audits from 2015

CGF Priority Industry Principles On Forced Labor

EVERY WORKER SHOULD HAVE FREEDOM OF MOVEMENT

NO WORKER SHOULD PAY FOR A JOB

NO WORKER SHOULD BE INDEBTED OR COERCED TO WORK

