

This resource guide is designed to provide more insight into what Kellogg Company expects and requires from Suppliers. This is a companion document to our Global Supplier Code of Conduct.

We compete in a global marketplace vigorously and, as our K Values dictate, with integrity. To meet the global needs of our consumers, we rely upon an array of suppliers, manufacturers, contractors, joint venture partners, agents, distributors and consultants. Each is a Supplier to our company, and we hold all our Suppliers to the same high standards of business integrity to which we hold ourselves.

Our Journey

Our Vision is to enrich and delight the world through foods and brands that matter. Our Purpose is nourishing families so they can flourish and thrive. We seek business relationships with Suppliers that are committed to responsible sourcing, while demonstrating our values and actively supporting our company's Vision and Purpose. Responsible sourcing (or social accountability) has five main aspects: Business Integrity; Quality, Health and Safety; Labor Standards; Sustainability & Land Use; and Management Practices. Our requirements and expectations on all five aspects of responsible sourcing are stated in our Global Supplier Code of Conduct (GSCC).

Our Approach

To ensure our Suppliers understand and comply with our expectations and requirements, we have adopted a three---phased approach – awareness, education and verification – to support our responsible sourcing initiatives.

1. Ensure awareness to our expectations and requirements by publishing, promoting and incorporating them into our GSCC into our Supplier agreements;
2. Use external Supplier events to provide GSCC and responsible sourcing training; and
3. Survey and audit high---risk suppliers using SEDEX (Supplier Ethical Data Exchange) (see diagram 1.1, page 4)

SEDEX works with buyers and suppliers around the world to deliver improvements in responsible sourcing activities in global supply chains. SEDEX offers a secure, online database to store, share and report on Suppliers' responsible sourcing information.

The following page contains additional information, helpful GSCC definitions, and links to initiatives referenced in the GSCC.

Business Integrity

- [UN Global Compact's Guiding Principles](http://www.unglobalcompact.org/abouttheGC/TheTenPrinciples/): Asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labor standards, grievance mechanisms, the environment and anti---corruption. Learn more: www.unglobalcompact.org/abouttheGC/TheTenPrinciples/

Quality, Health & Safety

- Hazard Assessment and Critical Control Points (HACCP) Principles: HACCP is a management system in which food safety is addressed through the analysis and control of biological, chemical, and physical hazards from raw material production, procurement and handling, to manufacturing, distribution and consumption of the finished product. Learn more: <http://www.fda.gov/Food/GuidanceRegulation/HACCP/>

Labor Standards

- United Nations Declaration of Human Rights: The framework, also known as the Ruggie Principles, address what governments, transnational corporations and other business enterprises can do to further human rights globally. Learn More: <http://www.un.org/en/documents/udhr/>, and http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf
- International Labor Organization (ILO) Guidelines: The main aims of the ILO are to promote rights at work, encourage decent employment opportunities, enhance social protection and strengthen dialogue on work---related issues. Learn more: <http://www.ilo.org/global/standards/lang-----en/index.htm>
- UN's Women's Empowerment Principles: Offers guidance to companies on how to empower women in the workplace, marketplace and community. Learn more: <http://weprinciples.org/Site/PrincipleOverview/>
- LGBT in the Workplace: Non---discrimination policies, benefits and other practices that include Lesbian, Gay, Bisexual and Transgender (LGBT) workers are essential for businesses as they compete for talent and customers. Learn more: <http://www.hrc.org/issues/workplace>

Sustainability/Land Use

- Climate and Deforestation Policy: Kellogg Company is committed to reducing 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 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.

The Consumer Goods Forum (CGF) pledged in late 2010 to mobilize its collective resources to help achieve zero net deforestation by 2020. As a member of the CGF, we support this commitment. In particular, we are taking the following actions on commodities we purchase that are or can be sourced from areas of tropical deforestation:

- **Palm Oil:**
Kellogg is committed to working with our global palm oil suppliers to source fully traceable palm oil to known and certified sources that are environmentally appropriate, socially beneficial and economically viable, in adherence to the following principles:

§8 Protect forests: No development of High Carbon Stock forests and High Conservation Value areas, No burning in the preparation of new plantings, re-plantings or any other developments, Progressively reduce greenhouse gas emissions on existing plantations, Adherence to all relevant national laws, as well as RSPO or equivalent certification criteria

§8 Protect peat lands: No new development on peat areas regardless of depth, Apply Best Management Practices for existing plantations on peat

§8 Protect human and community rights: Respect and support the Universal Declaration of Human Rights, Respect and recognize the rights of all workers regardless of gender, including contract, temporary and migrant workers, Prohibit use of forced and child labor, and human trafficking, Respect Land Tenure Rights, including the rights of indigenous and local communities to give or withhold their Free, Prior and Informed Consent to all new development or operations on lands to which they hold legal, communal or customary rights, Facilitate the inclusion of smallholders into the supply chain, and Resolve all valid complaints and conflicts through an open, transparent and consultative process

○ **Forest and Paper Products:**

The first cereal box we produced more than 100 years ago was made using recycled cardboard, and we remain committed to the sustainable use of forest products. In 2012, 84 percent of our food cartons globally were made from recycled fiber content, and 48 percent of the corrugated material we use globally to transport our products are made from recycled content. Of the forest product-based packaging material we use that is not recycled, more than 99 percent is made from certified sustainably grown virgin fiber. This material is certified either through the Sustainable Forestry Initiative or the Forest Stewardship Council. We are committed to having 100 percent of our virgin stock certified sustainably grown by the end of 2013.

○ **Soy:**

We do not purchase soy products from tropical deforested regions. Instead, we purchase soy almost exclusively from the U.S., with some supply for our Latin American operations sourced from Argentina. We remain committed to this sourcing strategy to ensure our soy is not from deforested lands.

- International Labor Organization (ILO) Guidelines: The main aims of the ILO are to promote rights at work, encourage decent employment opportunities, enhance social protection and strengthen dialogue on work-related issues. These rights also apply within the full agricultural supply chains. Learn more: <http://www.ilo.org/global/standards/lang-en/index.htm>
- Free, Prior and Informed Consent: Indigenous Peoples have a right to give or withhold their free, prior and informed consent to actions that affect their lands, territories and natural resource in order to control their own future. Governments and the international community are increasingly recognizing this right. Learn more: http://www.culturalsurvival.org/sites/default/files/guidetofreepriorinformedconsent_0.pdf
- Roundtable on Sustainable Palm Oil (RSPO): An international multi-stakeholder organization established to promote the production and use of sustainable palm oil. Learn more: <http://www.rspo.org/en/>
- BonSucro: Standard for sustainable production of sugar cane. Learn more:

Kellogg Company Global Supplier Code of Conduct Resource Guide

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<http://bonsucro.com/>

- Roundtable on Responsible Soy (RTRS): A multi-stakeholder initiative that aims to facilitate a global dialogue on soy production that is economically viable, socially equitable and environmentally sound. Learn more: <http://www.responsiblesoy.org/index.php?lang=en>
- World Cocoa Foundation (WCF): International organization committed to ensuring cocoa sustainability through agricultural and environmental stewardship and development. Learn more: <http://worldcocoafoundation.org/about-wcf/>
- Field to Market: Field To Market is a diverse alliance working to create opportunities across the agricultural supply chain for continuous improvements in productivity, environmental quality, and human well-being. The group provides collaborative leadership that is engaged in industry-wide dialogue, grounded in science, and open to the full range of technology choices. Learn more: <http://www.fieldtomarket.org/>

Figure 1.1

