



2013/2014 DIVERSITY AND INCLUSION ANNUAL REPORT

# FEATURES





# CONTENTS



**1** LETTER FROM OUR PRESIDENT, CEO AND CHAIRMAN

**2** MESSAGE FROM THE OFFICE OF DIVERSITY AND INCLUSION

**4** RECOGNITIONS

**6** EMPLOYEE RESOURCE GROUPS

**22** WORKPLACE

**34** MARKETPLACE

**38** COMMUNITY

# LETTER FROM OUR PRESIDENT, CEO AND CHAIRMAN

“DIVERSITY ENCOURAGES  
THE SHARING OF **RICHER,  
BROADER IDEAS** THAT CAN LEAD  
TO BREAKTHROUGH INNOVATIONS.”



**At Kellogg Company, diversity and inclusion are not add-ons, extras or “nice to haves.” They are central to who we are and what we do.**

It’s vital for the long-term success of our business that our workforce be as diverse as the consumers who enjoy our products. Diversity helps to ensure that we understand and can deliver on what our consumers want. Diversity encourages the sharing of richer, broader ideas that can lead to breakthrough innovations.

For diversity to have these benefits, of course, every Kellogg employee must feel valued, included and appreciated for who they are. We want our employees to bring their authentic “whole selves” to work, so we can all work together for the success of our business. And we expect our people managers to value diversity and to act in an inclusive manner, which is why diversity and inclusion are aspects of their performance development plans.

In 2013 we added two new individuals to our Board of Directors. We have a tremendous Board full of talented people with a wide diversity of backgrounds and experiences. And with seven men and five women now on the Board, we are well above average for Fortune 500 companies in terms of female representation. (According to Catalyst, a nonprofit organization that seeks to expand opportunities for women in business, just 17 percent of Fortune 500 board positions were held by women in 2013.)

To help strengthen the diversity of our senior talent pipeline, we recently launched our new Kellogg Executive Cross-Cultural Mentoring program. Each member of our Global Leadership Team, including me, is mentoring at least one other senior manager of a different gender, race or cultural background. We fully expect that the learnings from these mentoring relationships will be mutually beneficial, and will help to enhance all of our capabilities over the long term.

This report describes many of our other diversity and inclusion efforts and accomplishments over the past year – such as the global expansion of our Women of Kellogg Employee Resource Group (ERG), and our recognition once again on *DiversityInc’s* prestigious list of Top 50 Companies for Diversity.

We’re very proud of these and other accomplishments, but there’s always more to do. **Thank you for joining with us on our journey.**

Sincerely,

A handwritten signature in black ink, appearing to read "John Bryant". The signature is fluid and cursive, with a long horizontal stroke at the end.

John Bryant



# MESSAGE FROM THE OFFICE OF DIVERSITY AND INCLUSION



Welcome to *Features*, Kellogg Company's fifth annual publication highlighting our diversity and inclusion (D&I) efforts.

**We're so pleased to share with you our progress, which truly is the result of the hard work of numerous individuals throughout our company – not only at headquarters, but in our field offices, plants and distribution facilities in the U.S. and around the globe.**

As the global "center of excellence" for D&I at Kellogg, our vision is to build a stronger company by fostering an inclusive culture that leverages diversity as a competitive advantage. With great support across the business, we work daily to bring this vision to life with actions and programs – many of which we're proud to feature in this year's report – that build cultural intelligence and agility. We have D&I champions all across the company who are doing great work without any recognition. To those and all our champions, we say "thank you."

Whether you are a consumer, a customer, an investor, or a past, present or future employee, we hope you enjoy reading about our efforts. We welcome your feedback at [diversity.inclusion@kellogg.com](mailto:diversity.inclusion@kellogg.com).

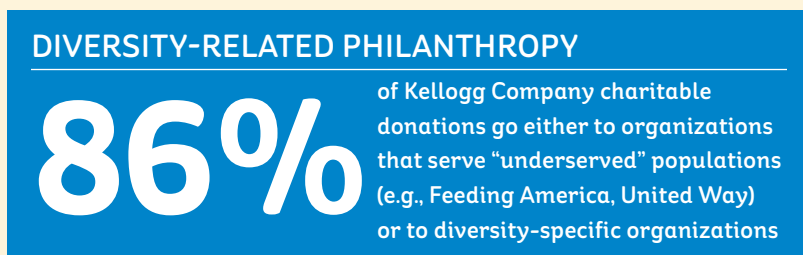
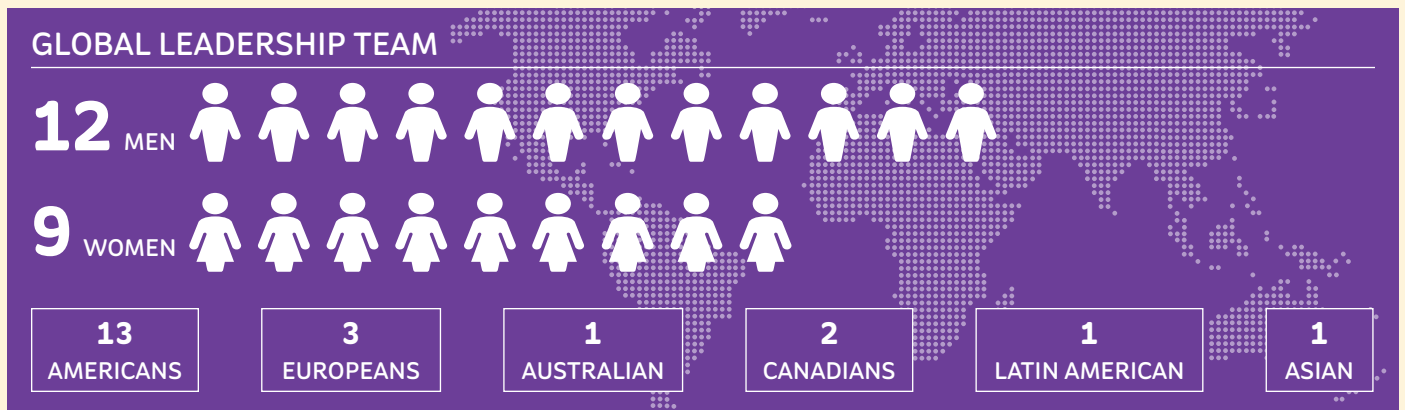
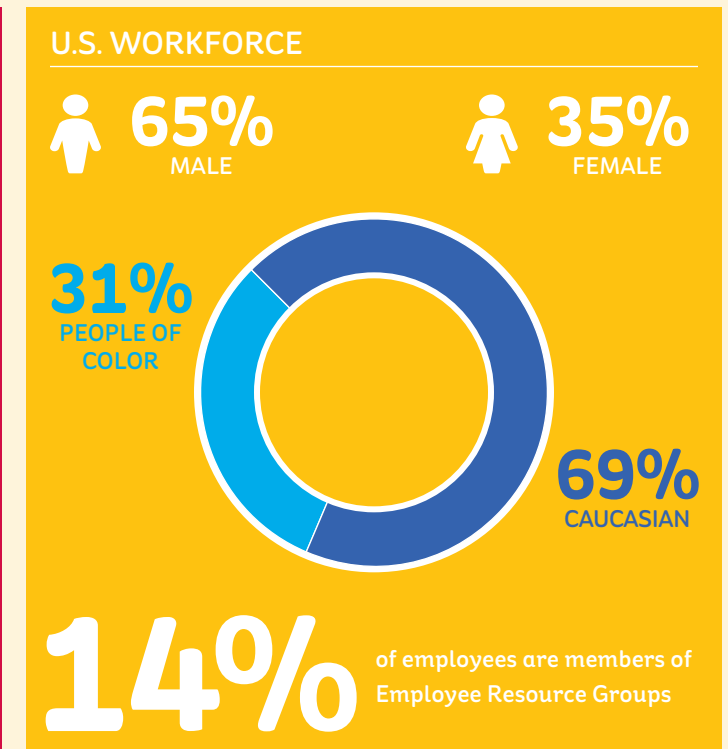
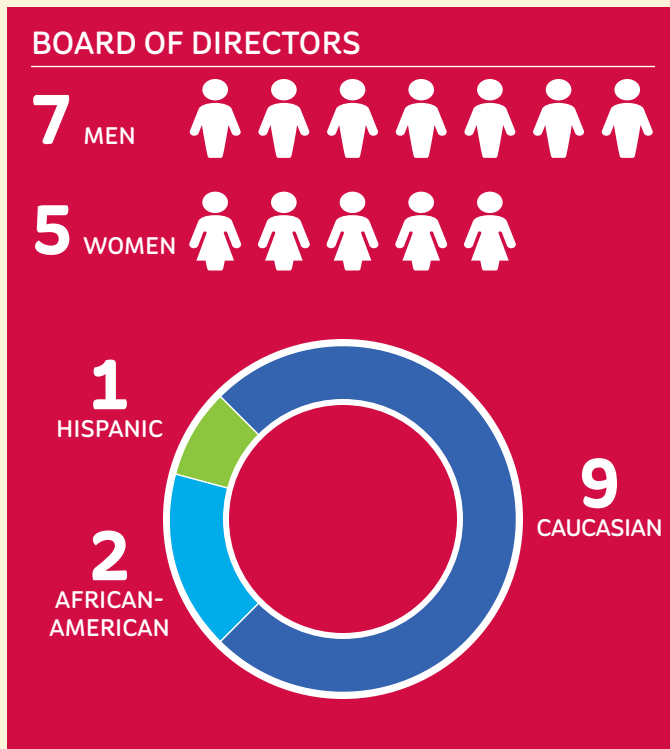
Sincerely,

A handwritten signature in black ink that reads "Mark King".

Mark King, Global Head, Diversity and Inclusion,  
on behalf of the Kellogg Office of Diversity and Inclusion



# 2013 KELLOGG COMPANY DIVERSITY SNAPSHOT



# RECOGNITIONS

## KELLOGG HONORED FOR DIVERSITY AND INCLUSION INITIATIVES

Kellogg Company's efforts to foster a more diverse and inclusive workforce are regularly acknowledged by external organizations.

In early 2014, for example, we were again recognized as a top company for diversity by *DiversityInc*, advancing to No. 31 on that organization's "**Top 50 Companies for Diversity**" list. We ranked No. 32 last year, and this is the third consecutive year we have received the recognition.

In addition, we were included on *DiversityInc*'s first-ever specialty lists – achieving No. 3 on the Top 10 Companies for Diversity Councils and No. 6 among Top 10 Companies for Employee Resource Groups.

*DiversityInc* considers four core areas in evaluating companies for its Top 50 list: the CEO's commitment to diversity and inclusion; human capital; corporate and organizational communication on diversity-related issues; and supplier diversity. A more rigorous methodology and increased participation in the analysis have made this process increasingly more competitive each year.

The *DiversityInc* honor comes as Kellogg also was recently recognized by 2020 Women on Boards, a nonprofit campaign committed to increasing the percentage of women in corporate governance. The organization lists Kellogg among its "**Winning Companies**" that understand the importance of board diversity and have 20 percent or more women on its board of directors. Our Board representation now consists of 58 percent men and 42 percent women, more than double the Fortune 500 company average of 17 percent of board seats held by women.



### Other recognitions received in 2013 and early 2014:

#### Top 50 Companies for Executive Women

National Association of Female Executives

#### Human Rights Campaign

100% score on the annual Corporate Equality Index

#### Best of the Best: Top Veteran-Friendly Companies

U.S. Veterans Magazine

#### America's Best Places for Latinos to Work

Hispanic/Latino Professionals Association

#### Top 50 Best Places to Work in STEM fields for Native Americans and Alaska Natives

Winds of Change magazine

#### Top 50 Employers for Equal Opportunity

Equal Opportunity magazine

#### REACH Award in Business, for K-Pride & Allies ERG and Kellogg Company

Kalamazoo Gay Lesbian Resource Center

Another recent noteworthy recognition was Kellogg Company's inclusion in 2013 on *Working Mother* magazine's list of **100 Best Companies**. Companies are selected for this list based on an extensive application that tracks the company against others in the areas of paid time off, leave, workforce profile, benefits, company culture, work life programs and more. At Kellogg, we work hard to encourage workplace flexibility and support our working parents. For example, we offer paid maternity and paternity leave, lactation rooms, flexible work arrangements and reimbursement for dependent care while away on business that occurs before or after normal work hours.

Detailed award applications like the ones we completed for *Working Mother* and *DiversityInc* serve another purpose for Kellogg as well: They help us to identify areas of interest to stakeholders and opportunities for enhancement. These types of application processes are an important part of our efforts to drive continuous improvement in diversity and inclusion.



## KELLOGG EMPLOYEE RECOGNIZED BY WOMEN'S FOODSERVICE FORUM

In early 2014, Susan W.,<sup>1</sup> Director of Customer Marketing with Kellogg Company's Specialty Channels division, was one of five women chosen nationwide by the Women's Foodservice Forum (WFF) for inclusion in their "Women Making Their Mark" list. The list recognizes up-and-coming leaders in the food industry.

"WFF is widely respected and well known in the industry, so this was a tremendous honor for me," said Susan. "Last year Kellogg won the Jackie B. Trujillo SOAR Award from WFF, which is a huge award in the industry. (SOAR stands for Standard-setters for Opportunity, Advancement and Recognition.) So to follow up with this – it's a really great testament to Kellogg and to the company's commitment to developing women leaders."

Susan oversees marketing and communication strategy for Kellogg across the foodservice, vending and convenience channels. She has worked in several roles in her 12 years at the company, ranging from product marketing, innovation and new product development, to financial planning and reporting. A WFF member since 2002, Susan has held leadership positions at WFF on several committees.



## KELLOGG D&I CHAMPIONS EARN WELL-DESERVED RECOGNITIONS



**NORMA BARNES-EURESTI**  
Vice President and Chief Counsel,  
Labor-Employment & Intellectual Property

Norma was recognized by the Multicultural Foodservice & Hospitality Alliance in their 2013 Tribute to Hispanic/Latino Leadership in Foodservice & Hospitality.



**SAMMIE LONG**  
Senior Vice President,  
Global Human Resources

Sammie was one of five women profiled in a *DiversityInc* magazine piece about retaining high-potential women.



**KIMBERLY REED**  
Senior Vice President, Sales

**THEODORA MORILLE-HINDS**  
Vice President, Global Quality Technical  
Standards and Image

Kimberly and Theodora were honored by the Multicultural Foodservice & Hospitality Alliance in their 2014 Tribute to Black Leadership in Foodservice & Hospitality.



**DEBRA Q.**  
Manager, Supplier Diversity

Debra was honored by Kellogg with the 2013 W.K. Kellogg Diversity Award, for her commitment to establishing and growing successful business relationships with increasing numbers of qualified and certified diverse suppliers.

<sup>1</sup> Throughout this report, we use first names and last initials only for our nonexecutive employees, to protect their privacy.



¡HOLA!

# CELEBRATES HISPANIC HERITAGE MONTH



In October 2013, the Latino Employee Resource Group (¡HOLA!) partnered with the Kellogg North America Finance Leadership Team and the Multicultural Marketing function to sponsor a Hispanic Heritage Month Fiesta at Kellogg Arena.





## MEMBER PERSPECTIVE

**RAMSES J.**  
HUMAN RESOURCES  
GENERALIST

“I’d like to say thank you to the company for having Employee Resource Groups. Being a member of ¡HOLA! has been a great experience for me. **It provides a way to connect with the Hispanic population inside and outside of the company, and it enables excellent volunteer, development and networking opportunities.**

Last year, for example, I gained experience putting together curriculum for Spanish conversation classes and then teaching those classes.

This and other ¡HOLA! activities have helped me meet and get to know people throughout the organization, at all levels and job positions. Membership has also given me a better perspective on the company as a whole – a better understanding of the business that I wouldn’t otherwise have gotten.”



The fiesta included raffle drawings, a hot pepper eating contest, samples of products recently launched in Hispanic markets and a live band that played Latin-themed music as guests filled the dance floor.

¡HOLA! partnered with Downtown Battle Creek Unlimited and the Battle Creek Chamber of Commerce to invite local vendors to cater food and drinks for the event. Participating vendors included Arcadia Brewing Company, Continental Bakery, a Guatemalan taco truck, Nina’s Taqueria and Taqueria San Francisco. Each business was challenged to provide unique samples that represented a variety of Latin nations.

More than 450 employees attended the fiesta, including members of ¡HOLA! as well as nonmembers. ¡HOLA! received great feedback, with employees giving the food and fun rave reviews and indicating they hoped the event would take place again in the future.

# EMPLOYEE RESOURCE GROUPS



## AFRICAN-AMERICAN RESOURCE GROUP WELCOMES POTENTIAL EMPLOYEES



Like other Employee Resource Groups, the Kellogg African-American Resource Group (KAARG) not only provides support to its members, but assists Kellogg with recruitment, retention, branding, and learning and development.





## MEMBER PERSPECTIVE

**TIA C.**  
BRAND MANAGER  
POP-TARTS®

“I’ve been with Kellogg for two years now. When I first came on board, I was looking for a way to network with other African-American professionals within the company. I was happy to learn of KAARG, so I quickly joined and became active. Now I’m a member of the group’s leadership team.

I’ve met some great people through KAARG, which was my primary reason for joining. **I also feel that through KAARG I have an opportunity to help make Kellogg a better place to work for people of color, and make our brands more desirable to multicultural consumers.”**



In 2013, KAARG worked with the company’s U.S. recruitment team to welcome job candidates (and potential future candidates) and invite them to experience the Kellogg brand and culture firsthand. Specifically, KAARG sponsored a reception at the National Black MBA Association (NMBBAA) conference. NMBBAA corporate hospitality receptions are a good way for companies to meet prospective employees in a relaxed social setting.

As part of the event, the KAARG team hosted a mini “innovation fest,” complete with a special appearance by Tony the Tiger, who greeted the guests. The team showcased Kellogg products new to the marketplace, highlighting product benefits. And, the KAARG leadership team talked about their roles in the company and the various career paths that would be open to the candidates if they chose to join Kellogg.

About 250 potential employees attended, and KAARG received great feedback about the event. Attendees commented that Kellogg had the best reception and that they were able to feel the company culture from a team that seemed like friends.



## MULTINATIONAL EMPLOYEE RESOURCE GROUP SPONSORS FAMILY FUN DAY



Each year, members of the Kellogg Multinational Employee Resource Group (K-MERG) gather at Sherman Lake, outside of Battle Creek, Michigan, to enjoy a day of fun and family.





The Sherman Lake Family Fun Day is an event K-MERG members always look forward to. Employees' families are invited, and everyone socializes over a picnic lunch. It's a chance to see colleagues outside of work, meet each other's families, network and get to know each other on a more personal level.

Feedback about the event is always positive, but in 2013 there was even more to smile about. There were new activities to enjoy, such as paddle boating, face painting, rock climbing, archery and kayaking. K-MERG also invited the Latino Employee Resource Group (¡HOLA!) to join them, letting even more people in on the fun. All told, about 200 people attended.

## MEMBER PERSPECTIVE

**MARTHA H.**  
ASSISTANT PRODUCT  
DEVELOPMENT SCIENTIST,  
GLOBAL SNACKS

"When I first joined Kellogg Company, it was a little overwhelming to figure out the work culture and meet coworkers. After a few weeks, I was invited to the K-MERG Sherman Lake event, and it was wonderful. I met a lot of people who were passionate about being part of K-MERG and sharing their unique cultures with others.

After that I became a member, and I have loved attending the events, learning about different cultures and meeting people who come from different backgrounds.

**With advances in technology, the world is getting smaller, and I believe that learning about other cultures can only help your career.** K-MERG also provides a great opportunity to network and be involved in the Kellogg culture.

I've recently joined a K-MERG committee, and it feels good to contribute to a group with a good cause and to support the company's multicultural employees."





## K-PRIDE & ALLIES SHOWCASES LGBT HISTORY



To celebrate Lesbian, Gay, Bisexual and Transgender (LGBT) Pride Month, the K-Pride and Allies (KPA) Employee Resource Group utilized the Exhibit Room at Kellogg headquarters to highlight LGBT history in America and Kellogg Company's achievements in LGBT equality over the past few years.





## MEMBER PERSPECTIVE

**LORI K.**  
PROCUREMENT TECHNOLOGY  
SPECIALIST

"I am a member of K-Pride & Allies to show support as an ally.

**I believe that equal rights for the LGBT community is just as important as equal rights for women and minorities.** And it is just unconscionable to me that there are still hurdles to climb.

I have met wonderful people in KPA. Being part of a like-minded group that is educating others and promoting participation in LGBT and other D&I topics is very satisfying, no matter how small my role.

I have seen a very positive trend in D&I at Kellogg in my 30 years at the company, and I'm proud of Kellogg for its commitment to workplace diversity and inclusion."



K-Pride & Allies used LGBT Pride Month as an opportunity to take a positive stand against discrimination and violence and to promote self-affirmation, dignity and equal rights for all. The exhibit also helped to increase the visibility of the LGBT community, celebrate sexual diversity and gender variance, and educate and engage Kellogg employees regarding LGBT issues.

Although KPA organized the event, all employees and visitors to Kellogg headquarters during the month of June had a chance to participate. The room featured two interactive areas. One asked employees to post an answer to the question "What makes you proud to be you?" The other urged employees to write their names on a designated wall to indicate their pledge to be inclusive and accepting.

This event marked the first time KPA displayed messaging in the Exhibit Room, and the response from employees, leadership and even outside organizations was overwhelmingly positive. In addition, the exhibit was featured on the website of the Kalamazoo LGBT Resource Center for a week.



## KVETS & SUPPORTERS HONORS VETS ON VETERANS DAY



In November 2013, Kellogg Company's newest Employee Resource Group – KVets & Supporters – marked Veterans Day by honoring Kellogg employees in the Southeast U.S. who are military veterans.





## MEMBER PERSPECTIVE

**BOBBIE B.**  
 SNACKS CUSTOMER  
 MARKETING COORDINATOR

“I joined KVets & Supporters because I come from a family with deep ties to the military; we have 11 veterans and three active military in my immediate family. In the spring of 2013, KVets hosted a movie screening about Honor Flight – a national organization that provides all-expenses-paid trips to Washington, D.C., for World War II veterans to visit the memorials built in their honor – and I knew I had to get involved.

I am the co-founder of a Michigan Honor Flight 'hub,' and we took our first group of 21 veterans to D.C. in October 2013. **The veterans are so grateful and humble, and many said they couldn't believe we were doing this for them for free.** We tell them they paid for this with their service to their country many years ago, and it is so little to do for what they gave to us through their dedication and sacrifice. What I've gained from interacting with our Greatest Generation has been absolutely invaluable.”



BACK ROW: Navy Veteran Barbara Bail, Army Veteran/ Flight Photographer Melissa Bird, Retired USAF Brigadier General/TOHF Military Advisor/Board member Linda McTague, President TOHF, KVets Leadership Team Bobbie B., Retired USAF Brigadier General Wilma Vaught, TOHF Board Member/Guardian Coordinator April Lesicki, TOHF Board Member/Veteran Specialist Deborah Hall

FRONT ROW: WWII Navy Veteran Virginia Bail

SIDE NOTE: Linda McTague was the first woman pilot from the state of Michigan and the first woman general in the USAF. Wilma Vaught was the founder and driving force for the establishment of the Women in Military Memorial at Arlington National Cemetery in Arlington, VA. She is still executive director.

The primary purpose behind the event was to acknowledge and honor the veterans for their contributions and service to our country, and to ensure that they know how much Kellogg values the skills and experience they bring to our company.

The event brought together about 75 employees from six Kellogg facilities in the Southeast, as well as several senior executives from Kellogg headquarters. It began with a kickoff at the snacks plant in Columbus, Georgia, and then moved to the National Infantry Museum near Fort Benning.

At the museum, guests were treated to a private tour of the exhibits, followed by a dinner banquet. The keynote speaker at the banquet was Major General Kenneth C. Leuer, considered the “father of the modern infantry.”



## WOMEN OF KELLOGG HOSTS CONFERENCE, GETS RAVE REVIEWS



In September 2013, Women of Kellogg (WOK) hosted a conference to provide a forum for women's career development and to inspire women to succeed at Kellogg. The conference included networking opportunities and professional development, as well as presentations by – and interaction with – senior leaders.





## MEMBER PERSPECTIVE

**JILL D.**  
MANAGER,  
CONSUMER  
COMMUNICATIONS

“When I started with Kellogg Company 10 years ago, WOK reached out to me and offered me opportunities outside of my core function. I learned a lot about the company and met some great people who have been catalysts in my professional growth.

**Over the years, WOK has provided me with leadership opportunities as well as a chance to build knowledge and skills that are critical to career advancement, but not always available in day-to-day job activity.**

I have remained an active member because I believe it’s important to give to others what I received from WOK. I also think that active membership in an ERG provides the greatest opportunity for professional, personal and company growth.”



The two-day “Growing Your Career at Kellogg” conference took place near Kellogg headquarters in Battle Creek, Michigan. WOK organized the conference to promote its mission, which states: “We empower and encourage everyone to develop and use their unique abilities, insights and talents to play a key role in the success of women at Kellogg.”

Conference sessions covered topics ranging from global career choices and talent management to career mapping and unwritten rules for success.

About 200 WOK members attended the conference, representing a cross-section of the company. Participants included individuals from Communications and Corporate Social Responsibility, Finance, Human Resources, Information Technology, Marketing, Nutrition, Sales, Supply Chain, and Research, Quality and Technology.

In a subsequent survey, almost 98 percent of attendees gave the conference a positive rating, with participants saying it gave them a renewed enthusiasm to grow their career with Kellogg. Attendees also reported that the conference allowed them to create new connections at Kellogg, network with senior leaders and develop mentoring relationships.



## YOUNG PROFESSIONALS LEARN TO BE BETTER NEGOTIATORS



Negotiation is a critical skill in the workplace. Employees who negotiate well can help move people and projects forward in productive ways that leave everyone feeling positive about the outcome.





In October 2013, the Young Professionals (YP) Employee Resource Group hosted a training event in Cincinnati, Ohio. Thirty YP members attended the training, which was conducted by The GAP Partnership – experts in the art of negotiation.

Over the course of the training, attendees were challenged to reconsider their preconceptions about negotiation. They also learned how to strengthen their positions when in the midst of a negotiation, and to understand how people, power dynamics and processes can influence their ability to negotiate successfully.

In addition to learning more about a skill that will benefit them professionally, participants also had the chance to meet new people and enjoy some time with their coworkers. Everyone who attended the training had positive feedback and expressed interest in taking a more extensive negotiations course if one were offered in the future.

## MEMBER PERSPECTIVE

**DEANNA L.**  
ASSOCIATE MANAGER,  
CATEGORY MANAGEMENT,  
TARGET TEAM

"I first volunteered to join a Young Professionals committee to meet new people and learn more about Kellogg Company. Now, three years later, I am the co-leader of YP's Minneapolis chapter.

**My experience working with the group has been more rewarding than I would have ever expected.** It's given me an opportunity to improve my leadership, communication and negotiation skills while partnering with team members across the country.

I've also gained more visibility among the company's leaders, not only for myself but also for other chapter members and for Kellogg's Minneapolis office. I doubt I would have been able to gain this type of experience if not for my involvement with this ERG."



## DIVERSITY CHAMPIONS: OUR ERG EXECUTIVE SPONSORS



**NORMA BARNES-EURESTI**

Vice President and Chief Counsel, Labor-Employment & Intellectual Property  
Executive Sponsor, K-Pride & Allies

“Step one for our ERG is to ensure that we have a workplace that is inclusive and welcoming. Step two is to use our expertise to tap into the LGBT community to help Kellogg achieve its purpose to ‘nourish families so they can flourish and thrive.’ **We want to make sure LGBT families have a seat at our breakfast table.** That’s just the right thing to do, but it also makes good business sense, since the LGBT community’s buying power was recently estimated at \$830 billion.”



**KRIS CHARLES**

Vice President, Global Communications and Philanthropy  
Executive Sponsor, Women of Kellogg

“The primary benefit of ERGs for members is personal and professional development. The ERGs provide a group to connect with and to grow with, and involvement provides employees with development experiences beyond their day jobs. For example, serving on the leadership team of an ERG may give an individual leadership experience earlier in their career than they would otherwise have that opportunity. **ERGs also give employees a chance to interact with and get to know people in the company that they might never otherwise meet.** I’ve really enjoyed working with the WOK leadership team and members for that very reason.”



**ALISTAIR HIRST**

Senior Vice President, Global Supply Chain  
Executive Sponsor, KVets & Supporters

“I’d like to have Kellogg be seen as a real employee destination for veterans. **The skill sets veterans bring to the company are just so useful and important, and can be very applicable in my area of Supply Chain in particular.** These skills include project management, problem solving, aligning an organization to an objective, achieving that objective, doing risk assessments, and so forth. And that’s beyond specific technical skills that may be directly applicable, such as in logistics. We already have a lot of employees who are veterans, but KVets & Supporters has an important role to play in helping the company take a more proactive approach to recruiting, retaining and developing veterans.”





**LYN FRANTZ**

Vice President, Human Resources, Kellogg North America  
Executive Sponsor, Kellogg African-American Resource Group

“Great leaders are willing to step out of their comfort zone and step forward to take on new adventures and responsibilities. **When I look at the KAARG leadership team, these are individuals who have raised their hands to take on work that benefits the entire organization, and they should be really proud of that.** I recently spoke with a KAARG leadership team member who used the experience she gained from KAARG to illustrate to a hiring manager her leadership skills and abilities. As a result, she was selected for the new role. ERG membership not only benefits the organization, it can provide tangible development benefits for individual members as well.”

---



**GUNTHER PLOSCH**

Vice President, Global Business Services  
Executive Sponsor, Kellogg Multinational Employee Resource Group

“Kellogg is a Midwestern company running a global business. One of our aims at K-MERG is to help bring the international world to Battle Creek – to be a vehicle for educating employees about countries and cultures outside the U.S., through efforts such as Chinese New Year celebrations and so forth. We also hope to help attract international talent to Kellogg. **And, I see K-MERG and the other ERGs as a great onboarding vehicle – it gives new hires a good welcoming network, a way to learn about Kellogg and what we stand for.**”

---



**LARRY BRUCK**

Vice President, Global Marketing  
Executive Sponsor, ¡HOLA! Latino Employee Resource Group

“I am very excited to be the new Executive Sponsor of ¡HOLA! It’s clear the Latino market in the U.S. is not only large and influential but also critically important to Kellogg. **Our success will depend, in part, on our ability to deliver engaging brand solutions to Latinos.** At the same time, it’s important for Kellogg to value our Latino employees and provide meaningful opportunities for professional development. ¡HOLA! can help do both. My commitment is to add value to ¡HOLA! and our membership. To do so, I’d like to get a deeper understanding of ¡HOLA! and the aspirations of the group, and then help facilitate individual and collective progress. I’m thrilled to be part of the team.”

---



**DARCEY MACKEN**

Senior Vice President, Global Sales, and Chief Growth Officer  
Executive Sponsor, Young Professionals

“The ERGs are a phenomenal way for Kellogg to show that we care about D&I. Not just to say that we care, but to show it by putting resources and support behind it. It’s also important to share that commitment with our community, both at headquarters and in the regions. **Having the satellite ERG chapters helps to create more of a sense of community and connection both in and outside of Kellogg.** Young Professionals has seven chapters around the U.S., and those are a critical part of our ERG.”

## ACCELERATING D&I IN OUR MANUFACTURING PLANTS

Over the past decade, we have strengthened and formalized our focus on diversity and inclusion at Kellogg by establishing a D&I “center of excellence” at our Battle Creek headquarters and by launching and/or expanding the reach of our Employee Resource Groups and D&I Councils. Most recently, this D&I expansion has extended to our manufacturing plants.





Five of our U.S. plants now have dedicated D&I Councils: Zanesville, Ohio; Wyoming, Michigan; Omaha, Nebraska; and Columbus and Rome, Georgia. And three plants have ERG chapters – ¡HOLA!, our Latino Employee Resource Group, in Augusta, Georgia; the Kellogg African-American Resource Group (KAARG) in Jackson, Tennessee; and K-Pride & Allies in Rome, Georgia – with several more planned for launch in 2014.

According to Noel H., Senior Diversity & Inclusion Business Partner, the biggest challenge with D&I activities in the plants is that many facilities run 24 hours a day in three shifts. “We unfortunately can’t just pull people off the line to go to events,” he explained.

So the Councils and ERGs have to get creative.

In Jackson, Tennessee, a Black History Month event put on by KAARG was held during the first shift but was videotaped so the other shifts will be able to watch it later. In Omaha, the Diversity Committee held a cookout during the lunch hour of all three shifts – including in the middle of the night.

Other Councils sponsor activities that can be done any time. For instance, the Zanesville Diversity & Inclusion Council publishes a monthly newsletter for employees with diversity-related articles, poems and puzzles. And the Wyoming Diversity & Inclusion Council sent handmade Valentine’s and Christmas cards to veterans living in a care facility in Grand Rapids, Michigan, to thank them for their service.

“There are so many opportunities for the ERGs and Councils in our plants,” said Noel. “They can get involved with recruiting, training, employee development, community volunteerism and more. We look forward to seeing what they will accomplish in the future.”



## DIVERSITY AND INCLUSION GOES GLOBAL

D&I isn't just about our U.S.-based workforce. Here, read about three recent efforts from around the globe.

### NEW ERG CHAPTERS

**B**ecause Kellogg is a U.S.-based company, and because the U.S. is such a multicultural nation, it makes sense that our Employee Resource Groups started in this country. Now that they are well-established in the U.S., we're exploring how the ERGs can add value to our Kellogg regions around the globe.

"Definitions of diversity may be different around the world, but inclusion is universal," said Kris Charles, Vice President of Global Communications and Philanthropy. "It's about bringing your whole self to work, feeling welcomed and valued. Our ERGs help to foster inclusion, which is why we are looking to expand their reach."

**"Establishing these WOK chapters is one aspect of our effort to bolster our 'bench' of female talent."**

– Ben L., European Talent and Diversity Director



The first opportunity came earlier this year. One of our ERGs – Women of Kellogg (WOK) – for the first time established chapters outside of the U.S. In fact, eight to 10 WOK chapters will be formed in various European countries where Kellogg operates by the end of 2014, said Ben L., European Talent and Diversity Director.

As with WOK chapters in the U.S., the purpose of WOK in Europe is to help Kellogg be a destination organization for women by providing opportunities for professional development and networking.

"Overall, women are fairly well-represented in the Kellogg workforce in Europe," Ben said, "but opportunity remains for greater representation, particularly at the more senior levels. Establishing these WOK chapters is one aspect of our effort to bolster our 'bench' of female talent, to be more effective in our succession planning and to ensure that we leverage diversity as a competitive advantage"

Other efforts are also underway – in the early stages – to launch Women of Kellogg in Asia Pacific and Latin America. Look for more on those efforts in our next report.



## D&I HIGHLIGHTED IN KEY EUROPEAN MEETING

In 2013 we introduced K Power to Grow, our new leadership model. K Power to Grow includes nine dimensions for success, with each dimension containing a set of knowledge areas, skills and attributes against which Kellogg managers around the world can assess employees and employees can assess themselves.



In January 2014, K Power to Grow was introduced to our European region at a meeting in Dublin, Ireland, hosted by the Kellogg Europe Senior Leadership Team. Mark King, Global Head of Diversity and Inclusion for Kellogg, spoke at the launch meeting, which was attended by about 150 senior leaders from across Kellogg Europe.

Mark talked about how diversity and inclusion intersects with the “Insights” aspect of the leadership model, which includes a focus on meeting consumer needs.

“People understand that diversity is about building diverse teams,” Mark said. “But it’s also about ensuring that our product offerings appeal to a broad, diverse

set of consumers. As such, diversity really has to be integrated fully into our business.”

The launch of K Power to Grow in Europe corresponded with the European launch of our Women of Kellogg Employee Resource Group, discussed at left.

## INTERNATIONAL WOMEN’S DAY

International Women’s Day – March 8 – may pass without much fanfare in the U.S., but elsewhere in the world it is a bigger occasion. At our Kellogg facilities in Russia, for instance, male employees went all out in honoring their female coworkers. “On this day, it is expected that men will step up and express their gratitude and appreciation for just how much women contribute to our world, our nations, our businesses and our families,” said David L., General Manager, Kellogg Russia. The Kellogg office in Moscow celebrated the day with a variety of activities and team-building events designed to honor female employees and create even greater camaraderie.

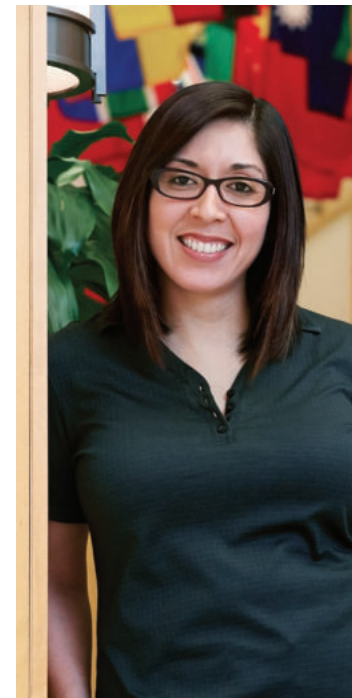


## D&I OFFICE HOSTS WORKSHOP ON CROSS-CULTURAL COMMUNICATION

Two years ago, Blanca S. and several Kellogg colleagues attended a cross-cultural communication workshop at a Society of Hispanic Professional Engineers (SHPE) conference. They knew immediately that they wanted to share this workshop with their coworkers.

“The workshop was phenomenal,” said Blanca, a Process Engineer for Kellogg. “It highlighted nonverbal communication cues in Hispanic, European-American, Asian and Middle Eastern cultures. We all came out of the workshop saying that it was something that would be great to bring back to Kellogg.”

Blanca began by thinking her own team would host and participate in the workshop. But the idea quickly spread, and in June 2013 the Kellogg Office of Diversity and Inclusion sponsored the workshop with assistance and support from two Employee Resource Groups (¡HOLA! and K-MERG) and four Diversity Councils





(those from Global Engineering; Research, Quality and Technology; Procurement; and Customer Logistics Services). The groups brought in the same speaker – William Cruz – from the SHPE conference, and opened the workshop to all employees from Kellogg headquarters.

The workshop focused on nonverbal messages that differ between cultures and are communicated through facial expressions, gestures, “personal space,” touch, eye contact and tone. The 90-minute sessions

helped participants see how they can be aware of their own culture while also borrowing from and being respectful of other cultures, in order to function effectively in a multicultural business setting.

“My coworkers and I might all communicate in English, but there were nonverbal nuances that we were unaware of,” says Blanca. “This kind of eye-opening experience is really important in a global company like ours, and we had a lot of ‘aha!’ moments during the workshop.”

---

## OUR NEW CROSS-CULTURAL MENTORING PROGRAM

In January 2014, Kellogg launched a new Executive Cross-Cultural Mentoring Program as part of our emphasis on talent management. This one-year pilot program is distinctive in both its focus and level of participation.

In the program, Kellogg’s most senior leaders are serving as mentors – in fact, all are members of the Global Leadership Team. The mentees are senior managers from across the global business and functions. And, the program is deliberately cross-cultural.

“There will be tremendous and rich learnings in this program for both mentors and mentees,” said Sammie Long, Senior Vice President of Global Human Resources. “We expect mentors to gain cross-cultural awareness and understanding, while the mentees gain business and leadership knowledge and key connections at the company’s most senior levels.”

A key purpose of the program is to improve retention and increase diversity in the talent pipeline. By the end of the program, both mentors and mentees will have a better cross-cultural understanding of diversity and inclusion and its impacts on areas such as relationships, talent management, feeling valued, and giving and receiving feedback.

Once the pilot is completed, the organizers will review it and look to make it available to more employees. “We know we will receive great feedback from the pilot participants,” said Sammie, “and we will then look to roll it out more broadly to reach more employees.”

## GROUP SUCCEEDS IN ADVANCING WOMEN IN SUPPLY CHAIN

Numbers don't lie, the saying goes. For our Women in Supply Chain (WiSC) group, the numbers show that they have succeeded in their aim of spurring the advancement of women in Kellogg Company's manufacturing function.





Since WiSC was founded in 2004, female representation in Kellogg manufacturing has increased more than 400 percent. In addition, the representation of women in corporate supply chain functions (such as Engineering, Procurement and Customer Logistics Services) has increased nearly 78 percent. Those gains aren't attributable solely to WiSC, of course, and more work remains to be done. But the progress has been excellent.

Carol L., Senior Diversity & Inclusion Business Partner, said that WiSC is now shifting from a focus on increasing the number of women in supply chain to looking more at developing specific talent pipelines. "That will help to ensure that we have a demographically diverse talent pool in line for key positions, including leadership positions," she explained.

WiSC's mission remains the same – to develop a corporate culture where women can thrive. And they go about this in several ways, including providing regional meetings for career development and skill-building, and providing networking tools and opportunities that support the retention and development of women.

WiSC has members throughout the U.S. and typically holds meetings four times a year. One highlight of the quarterly meetings in 2013 was a training module called GenderSpeak. "GenderSpeak educates about differences in male and female communication styles," explained Carol, "and then provides participants with tools and resources to enable them to navigate in both cultures." The training received rave reviews from participants.



**BRENDA M.**  
CONTINUOUS IMPROVEMENT MANAGER,  
SEELYVILLE BAKERY

**"The WiSC-sponsored GenderSpeak training was one of the most enjoyable and valuable training sessions I have been through in my career. It helped me realize just how different genders think so completely opposite to each other and how that can create issues not only in the workplace, but in other facets of our lives.**



Multiple times since I've taken the training – both at work and in my personal life – I have been able to apply the principles from GenderSpeak to understand why someone is reacting the way they are, or why I am reacting to others."

## ADDING VALUE BY PARTNERING WITH EXTERNAL ORGANIZATIONS

Numerous organizations in the U.S. provide valuable networking and professional development opportunities for particular demographic segments. We consider engagement with these external organizations to be an important part of our diversity and inclusion strategy at Kellogg. We sponsor several such organizations and regularly create opportunities for our employees to take part in their activities.

In 2013, for example, nearly 80 members of the Kellogg African-American Resource Group (KAARG) attended the annual symposium put on by the Executive Leadership Council (ELC) – a national organization composed of African-American CEOs, senior-level executives and managers from Fortune 500 companies. Kellogg is one of many companies that support the activities of both the ELC and its charitable organization, the Executive Leadership Foundation.

Jerrold (JC) C., a National Account Executive at Kellogg, has attended the ELC symposium every year since 2011, and he credits the organization with helping him to hone his leadership skills. “These conferences have really helped me to ‘sharpen my saw’ when it comes to the leadership strategy I leverage with my team daily,” said JC.

That, in turn, has led to significant business results. “I worked diligently to put into practice





what I learned at a previous ELC symposium about employee engagement,” JC explained, “and that ultimately led to my Northern California Team delivering strong top-line results, coupled with some of the best employee engagement scores in the country among our business.”



Involvement with external organizations may not always lead so directly to business success, but the less-tangible benefits are just as important to participants.

Jessica B., a Finance Manager at Kellogg, has enjoyed the networking opportunities provided by her involvement with the West Michigan chapter of the Network of Executive Women (NEW). Kellogg is a national sponsor of NEW, and approximately 200 Kellogg employees are members nationwide. NEW's mission is to attract, retain and advance women in the retail and consumer products industry through education, leadership and business development.

“Our chapter hosts a variety of educational seminars and networking events. NEW provides members the chance to get to know one another and share both their struggles and strategies for success in their careers,” said Jessica. “NEW has given me the opportunity to learn how others are able to navigate through their careers within the consumer packaged goods industry, be inspired and utilize best practices from others in my own career.”

Wendy Davidson, President of U.S. Specialty Channels for Kellogg, has been involved with another organization – the Women's Foodservice Forum (WFF) – for nearly 20 years. “When I first got involved in WFF, I was working in a part of the food industry and at a company with few executive women,” Wendy said. “WFF gave me a chance to see women in leadership and connect with women and men who provided invaluable coaching and mentoring. WFF provides industry-leading content focused on important leadership competencies and connections with key leaders across our industry.”

While Kellogg certainly has women in leadership positions – including Wendy herself now – she still believes participating in the organization is valuable. “I truly believe once you walk through the door, you have to hold the door open for others,” Wendy said. “I'm happy to continue being involved and to mentor other women.” (See p. 5 for more on the WFF.)

## THE KEY ROLE OF OUR D&I COUNCILS

Kellogg Company's 15 Diversity and Inclusion Councils help to drive D&I progress throughout our business. While our seven Employee Resource Groups are organized around specific demographics, the Diversity and Inclusion Councils typically focus on D&I within a certain facility, function or business unit.

The Councils implement a huge variety of D&I activities. Recent examples include the following:

- Our **Information Technology (IT) Diversity Council** undertook a thorough research and vetting process to identify three external organizations with which to partner closely for talent acquisition and development assistance, in order to develop a more diverse and culturally agile IT workforce. Ultimately they chose the Society of Women Engineers, the Society of Hispanic Professional Engineers and the Black

Data Processing Associates. The systematic process they used to assess and choose these organizations is now being adopted by other Councils.

- Our **Research, Quality and Technology (RQT) Diversity Taskforce** focused on balancing work and home life responsibilities in 2013. They sent out an email newsletter each month with information on work life effectiveness, and hosted a talk in April at which Kellogg Company's Work Life Portal was introduced and explained.





- The **Canada Diversity and Inclusion Council** organized a D&I Fair in September 2013 at the onsite Creebank Kafé in Ontario. Over the noon hour, more than 120 employees gathered in the Kafé to visit educational booths, listen to a live steel-drum band and experience the culture and cuisine of Canada, India and Mexico.
- Our **Customer Logistics Services (CLS) D&I Council** organized an “Inside the Global Leadership Team” event, modeled after the TV show “Inside the Actors Studio.” Alistair Hirst, Senior Vice President of Global Supply Chain, gamely answered a wide variety of questions from a moderator. The purpose of the fun event was to enable employees (from the Council and beyond) to get to know Alistair better and learn how his career progressed to where it is today.
- The **Procurement D&I Council** refreshed their “passport program.” The 2.0 version encouraged and incentivized participants to expand their knowledge of the Procurement function, develop skills and experience and explore career opportunities. Each participant was given a “passport” in which they could earn “passport stamps” for participating in everything from lunch-and-learns to meeting observations to job shadowing. At the end of the year, the Council recognized employees who had participated in the program at various levels. Several other Councils and an ERG have now also established passport programs for their groups.

Each of the D&I Councils has its own mission statement and objectives, but their overall purpose

## KELLOGG COMPANY'S DIVERSITY AND INCLUSION COUNCILS

- Canada Diversity & Inclusion Council
- Columbus Engagement Committee
- Customer Logistics Services Diversity & Inclusion Council
- Executive Diversity & Inclusion Council
- Finance People Development Committee
- Global Engineering D&I Council
- Information Technology Diversity Council
- Latino Engagement Council
- Omaha Diversity Committee
- Procurement D&I Council
- Research, Quality and Technology Diversity Taskforce
- Rome Diversity Committee
- Women in Supply Chain
- Wyoming Diversity & Inclusion Council
- Zanesville Diversity & Inclusion Council

is to help attract, develop and retain diverse employees and ensure an inclusive environment within the company.

At the highest level, our Executive Diversity and Inclusion Council (EDIC) provides strategic direction and support for all D&I efforts throughout the company. Chaired by Kellogg President, CEO and Chairman John Bryant, EDIC helps to drive accountability for D&I efforts, advocate for diversity and inclusion, and be the D&I “conscience” of the organization. Representatives from our Employee Resource Groups attend EDIC quarterly meetings, which helps to ensure that their voices are heard at the highest levels.

## MULTICULTURAL MARKETING: A KEY GROWTH DRIVER

### DID YOU KNOW?

Texas, California and New Mexico are already **“majority-minority”** states.

Nearly **90 percent** of population growth over the last five years is due to multicultural households.

Hispanics are the largest segment and are **18 percent** of the U.S. population.

**26 percent** of kids **under 5** in the U.S. are Hispanic.

These are more than just fascinating facts; they are the primary reasons Kellogg is working to increase engagement with multicultural consumers in the U.S.

Kellogg has developed and is implementing a comprehensive multicultural marketing plan, which maps out our plans for future growth in these markets and is

overseen by our Multi-cultural Marketing team.

The plan seeks to actively include multicultural consumers in the strategic process, from opportunity assessment to insights development to execution.

“Multicultural means growth, including increased household buying power and consumption,” said Christopher R., Associate Director of Brand Marketing. “Multicultural also means Millennials.

We have the opportunity to communicate and connect with this market segment, and the total market, in authentic and contemporary ways.”





We are working to embed multicultural marketing acumen throughout our entire marketing function in the U.S. – to make it a core skill, not a special area of expertise. And we have recently launched several initiatives to enable Kellogg to capture this growth opportunity. For example, working with Nielsen and our Insights partners, we developed five-year demand forecasts on categories and brands to understand where growth is coming from and to provide recommendations for plans to capture that growth.

Our latest focused effort to reach Hispanic families – the largest segment of multicultural consumers – is through our new editorial content and social platform *Días Grandiosos* ([www.diasgrandiosos.com](http://www.diasgrandiosos.com)). With *Días Grandiosos* (“Great Days”), we are taking a fresh approach to reaching and connecting with Hispanic families through stories about food, family and culture from real Latina moms.

We are also reaching out to Hispanic consumers through targeted sponsorships. In 2014, for instance, we are partnering with Major League Baseball in five cities – hosting events, providing special in-store offerings and advertising in stadiums. With 30 different teams and 4,860 games (not including the post-season), Major League Baseball gives Kellogg a huge, summer-long opportunity to reach Hispanic consumers. Similarly, we will be doing advertising

**Kellogg's**  
**Podrías ganar el jersey de tu selección favorita**

Visita tu tienda Pioneer® Supermarket o Met Foodmarket para más detalles. 1 de mayo-31 de mayo de 2014, Sin obligación la compra. Nulo donde esté prohibido.

Enter for a chance to win a Jersey of your favorite national team. Visit your local Pioneer® Supermarket or Met Foodmarket for more details. May 1-May 31, 2014. No purchase necessary. Void where prohibited.

**Joe Corona**  
Seleccionado Internacional  
International Soccer Star

**Met PIONEER**  
FOODMARKET

©, TM © 2014 Kellogg NA Co.

tie-ins with concerts, professional soccer and the Latin Grammy Awards.

We also continue to develop advertising and marketing materials targeted specifically to the Hispanic consumer, rather than simply translating ads from English to Spanish. And, we continue to develop new products inspired by this market. Recent examples include *Pringles® Tortilla Crisps* and *Sunshine® Cheez-It Zings™* crackers in *Chipotle Cheddar*, *Queso Fundido* and new *Cheese Enchilada* flavors.

## MEETING DIVERSE TASTES AROUND THE WORLD

Food tastes around the world tend to be very local and culture-specific, which creates challenges – and opportunities – for a global food company like Kellogg.

Asia provides a good example of the diversity that can exist within a region – in culture and in food. Parts of Asia are highly developed and modern; others are very traditional. It is the world's largest market for luxury goods, even as vast numbers of people live in poverty. Religious traditions also vary widely: Indonesia is the world's largest Muslim country, while India is 80 percent Hindu, the Philippines is 80 percent Catholic and Thailand is 95 percent Buddhist. In the food realm, breakfasts may be hot or cold, sweet or savory, quick or elaborate, depending on location.

So, how does a global food company appeal to such a wide diversity of tastes? For starters, with a diverse global workforce. "I'm a very strong believer that you need local leaders running your business," said Amit

Banati, President of Kellogg's Asia Pacific region. "Local leaders have spent their lives in the country, and as a result they can pick up important nuances. That enables better connections with consumers, including better understanding of local tastes." In recent years, we have increased the number of local nationals running our Asian businesses.

Focused, locally tailored product development is another key factor. "We have a 'hub and spoke' R&D strategy," explained Amit. "Product development will always be centered at the W.K. Kellogg Institute for Food and Nutrition Research in Michigan. But we are developing local capacity as well. We have opened a snack R&D center in Singapore, for example, which will allow us to more easily develop flavorings specific to this region. In addition, a breakfast foods R&D center is under construction in India."

Our focus on meeting local needs and tastes in our Asia Pacific and Africa region has led to some marked successes in recent years. We have developed two types of hot porridge for our South African market, for example, which are doing very well there. And in India we have just launched a hot, savory oats product.

Another innovation for India was small packaging sizes. "Affordability is a huge issue in India," said Amit.







“People get paid daily or maybe weekly. Five years ago we launched these small pack sizes, each of which costs the equivalent of about 15 cents. They’ve been a big success.” Due largely to the introduction of these packs, Kellogg products have gone from being carried in 40,000 stores in India to 400,000.

Of course, Asia is not the only continent with a wide diversity of consumer tastes. We face similar challenges in every region around the world.

“Every time we launch a product in Europe, we must review our sales and marketing strategy market by market,” explained Stephanie G., Sales Strategy Director for Kellogg Europe. “For example, language

may present a challenge. Some tag lines may be too long when translated, or simply may not translate well. We often need some extra time to get it right.”

Despite this vast diversity of tastes and cultures, Kellogg’s global markets also present a huge opportunity for the company.

“Let’s face it, we have a lot of potential consumers in Asia,” said Amit. “If we can nourish and delight those consumers, this region can be an incredible source of growth for the company. How do we unlock that? That’s what I spend my time thinking about.”

## KELLOGG SUPPORTS ANTI-DISCRIMINATION

In May 2014, Kellogg officially signaled support for two key initiatives aimed at ending workplace discrimination against LGBT employees.

First, we formally signed on in support of the ACLU Michigan's efforts to amend the Elliott-Larson civil rights act to include protection against LGBT discrimination. We joined a number of other major Michigan companies who support of this effort in what the ACLU is calling the Michigan Competitive Workforce Coalition.

Second, we formally signed on to the Human Rights Campaign's Business Coalition for Workplace Fairness in support of the federal Employment Non-Discrimination Act (ENDA). President Obama has said he will sign ENDA – which would provide protection against LGBT employment discrimination – if Congress will pass it. Last year the bill made it out

of the House; it is now awaiting action in the Senate. More than 400 companies have joined the Business Coalition for Workplace Fairness in support of ENDA.

“These measures wouldn't change anything for Kellogg, because we already have anti-discrimination policies,” explained Norma Barnes-Euresti, Vice President and Chief Counsel, Labor-Employment & Intellectual Property. “But we care about how our employees are treated when they are not at work. For instance, when they go to look for housing, it's currently legal in Michigan for someone to discriminate against them if they are gay. We want to see LGBT people have the same protections everyone else enjoys.”

### SUPPORTING THE WORK OF OUR COMMUNITY PARTNERS

Kellogg Company supports diversity and inclusion in the community through philanthropic donations to nonprofit organizations. Funding for these donations typically comes from the Kellogg Company Fund, the charitable arm of Kellogg, and goes toward programs that expand opportunities for people of diverse backgrounds. In 2013, the Fund provided grants to the following organizations:

- Operation Homefront
- Wounded Warrior Project
- National Urban League
- Casa Central
- National Council of La Raza
- Asian & Pacific Islander Scholarship Fund
- Kalamazoo Gay Lesbian Resource Center
- The Center on Halsted
- The Consortium for Graduate Study in Management



# OUR THRIVING PROGRAM FOR SUPPLIER DIVERSITY

One key way we support diversity and inclusion outside of our company walls is through our supplier diversity program – that is, by purchasing goods and services from supplier companies owned by women, people of color, disabled individuals, service-disabled veterans, and individuals from the LGBT community.

“We need all of our procurement purchases to be cost-competitive, of course,” said Cathy K., Director of Procurement. “But we also need a diverse supply base. We need big suppliers, small suppliers and suppliers owned by people in all demographic groups. That diversity gives us nimbleness, and it brings different strengths and values to the table. Ultimately, it makes us so much stronger as a company.”

In 2013, we spent \$406 million with first-tier diverse suppliers (i.e., those we buy from directly). That was \$14.5 million above our internal goal, and marks the 15th consecutive year of growth in our supplier diversity program. In 1999, our first-tier diversity spend was just \$49 million.

Also in 2013, we were very proud that one of our minority-owned suppliers – a Canadian software and services company called Nulogy – won the “CATA Innovation through Technology Award” from the



“[Supplier] diversity gives us nimbleness, and it brings different strengths and values to the table. Ultimately, it makes us so much stronger as a company.”

– Cathy K., Director of Procurement

Canadian Aboriginal & Minority Supplier Council. (CATA is the Canadian Advanced Technology Alliance.) Kellogg nominated Nulogy for this award.

See the following pages for thoughts from two of our current diverse suppliers, Armand deTorres and Ann Drake.



**ARMAND DeTORRES**  
PRESIDENT & CEO  
METRO PACKAGING & IMAGING  
WAYNE, NEW JERSEY

“We manufacture printed folding cartons for Kellogg – primarily for Nutri-Grain® products, but also for other items. We are a family-owned company; my father and mother started the business 50 years ago. My mother has passed, but my father still comes in regularly. We have about 140 employees today.

Our minority-supplier certification definitely got us a foot in the door at Kellogg back in 1998. But once we got in, we needed to deliver like every other supplier. We have to provide outstanding service and quality and on-time delivery. Fortunately we’ve been able to do that, so our business with Kellogg has grown steadily every year.

Kellogg is very good about communicating their growth strategies to suppliers. Every year they host an all-day Supplier Day, during which top executives explain to suppliers the company’s plans for the coming year. That kind of open communication is really unique to Kellogg, and it helps us plan how to meet the company’s needs.

Also, the Supplier Diversity team makes a point to introduce their diverse suppliers to each other, so we can all do business together. For instance, we have used a trucking company and an ink-jet company – both certified diverse-owned – that were referred to us by Kellogg. In addition, they introduced us to the biggest packaging company in our industry. They are not diverse-owned, but as a result of meeting them through Kellogg, we are now doing regular work for them. Making those kinds of introductions doesn’t directly benefit Kellogg, but it benefits our business, and we appreciate it.

For years we have worked to give back to the community, to help disadvantaged kids in particular. We are based in Wayne, New Jersey, which is not far from New York City, where my father grew up. He has been very active volunteering with the public school system there. One thing we do several times a year, for instance, is to bus kids from those schools out to our facility. We give them tours and describe the various jobs our employees are doing, and we emphasize the education needed to do those jobs. We want to encourage those kids to stay in school and give them an idea of the kinds of careers they can have if they continue with their education.

**It’s been a great experience doing work for Kellogg.** We really respect and like the people we work with there. In fact, I’ve made friends at Kellogg that I will keep in touch with after we’re all retired.”





**ANN DRAKE**  
CEO  
DSC LOGISTICS  
DES PLAINES, ILLINOIS

“DSC Logistics is a third-party logistics and supply chain management company. We do supply chain analysis and design, network optimization and management, logistics center management, transportation management and consolidation, business process integration and more.

We have been partnering with Kellogg for more than 20 years. And we haven't always been a 'diverse supplier.' My dad started the company some 50 years ago; in 1994, I became the majority owner and CEO. But it wasn't until we learned about diverse supplier certification in 2005 that we officially became certified as woman-owned. We're now in Kellogg's Diamond Club of diverse suppliers, meaning we do more than \$25 million in business with Kellogg each year.

Our work for Kellogg has changed a lot over the years. Years ago, people thought of warehouses as places where product sat and got dusty. Now it's all about velocity and quick turnover of huge volumes of product. It's a very different business with a much faster pace. I feel like both my company and Kellogg have grown and changed together; we've done it in partnership, which is great.

What I really appreciate about our relationship with Kellogg is that we are both very much values-based companies. We share strong values and similar values, believing in the importance of collaboration and a team approach, which makes working together easy.

In 2012, I received a wonderful honor from my industry – the CSCMP (Council of Supply Chain Management Professionals) Distinguished Service Award. That was terrific, but I was surprised to learn that I was the first woman ever to have won the award. That got me thinking more deeply about why that is, and what I could do to help change it. The truth is, in 25 years in the business, I have seen lots of positive progress in terms of women in the workplace, but **we're still not seeing many women at the highest levels. I want to help do something about that.**

So in 2013 I launched AWESOME – Achieving Women's Excellence in Supply Chain Operations, Management and Education. Our purpose is advancing women supply chain leaders. In the time since it was launched, AWESOME has quickly gained credibility and built momentum. In just two years we've developed a network of over 500 senior-level women in supply chain, held two successful symposiums, developed programs, published reports, given seven scholarships to young women in university supply chain programs, and presented leadership awards to two women supply chain leaders.

It's an exciting time to be a woman leader in business. I think we're getting to a tipping point, where more and more women will soon be seen in high positions in all industries. I'm really passionate about helping to make that happen.”



Kellogg's  
Office of  
Diversity  
and Inclusion

We welcome your feedback at:  
One Kellogg Square  
Battle Creek, Michigan 49016  
269.961.2000  
diversity.inclusion@kellogg.com  
www.kelloggcompany.com

