

Global Sustainable Palm Oil Policy

See [Global Palm Milestones document](#) for progress updates



Overview

Palm oil continues to be an ingredient of particular focus for Kellogg Company in our responsible sourcing efforts. Palm oil is grown and produced in Southeast Asia and is widely used in foods, soaps and cosmetics. The rapid expansion of palm oil production has been associated with human rights violations and the destruction of tropical forest habitats and peat lands.

Although Kellogg uses a very small amount of palm oil globally, we have been working since 2009 to improve the sustainability of palm oil and we continue to support responsible sourcing of palm oil through our Global 2020 Sustainability Commitments. All of the palm oil we use is sourced through a combination of the Roundtable of Sustainable Palm Oil (RSPO) Certified Segregated supply chain, RSPO Mass Balance mixed-source supply chain and the purchase of GreenPalm/RSPO Palm Trace certificates.

In addition, 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 (see our Global Supplier Code of Conduct for additional details on our expectations). As we are made aware of any supply chain violations of these principles, we will work with the supplier to understand corrective actions. If the concerns are not adequately addressed, we will take action to remove them from our supply chain.

- **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
- **Protect peat lands**
 - No new development on peat areas regardless of depth
 - Apply Best Management Practices for existing plantations on peat
- **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
 - Resolve all valid complaints and conflicts through an open, transparent and consultative process

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Scope

Kellogg Company Global Palm Oil Policy applies to the physical oil sourced by Kellogg (including oil purchased by Kellogg for subsidiaries and joint ventures) as well as palm oil purchased by contract manufacturers for Kellogg products. New acquisitions will be incorporated into reporting within one year of full integration.

Implementation Plan

We are continuing work to implement the above commitments, set February 2015, in the following ways:

- Continue communication of this commitment to all direct suppliers through palm oil sourcing events, category strategy, product innovation, annual supplier review, supplier requirements, and through regular progress updates.
- Require suppliers to trace palm oil to mills and plantations that are independently verified as legally compliant, meet the above principles for protecting forest, peat lands, human and community rights, and comply with all RSPO principles and criteria.
- Participate as a member of the RSPO and requiring that 100 percent of the palm oil we use comes from suppliers that are RSPO members, and operate in compliance with the RSPO Principles and Criteria.
- Require, through our Global Supplier Code of Conduct (see link above), that our suppliers commit to ethical business practices, respect human rights, and reduce their impact on the environment.
- Kellogg will partner with the third-party non-profit organization, Proforest, to track, measure, and assess supplier compliance against our Policy and demonstrate continuous improvement on environmental and social criteria including deforestation and human rights. Proforest will track volumes and reporting for all in-scope suppliers.
- If a supplier violates the Global Supplier Code of Conduct and Global Palm Oil Policy, Kellogg will engage suppliers and partners to remediate the violation, with the support of Proforest. If the issue is not resolved, Kellogg will take action to remove the supplier from the supply chain through suspension or exclusion.
- Acknowledge the role of deforestation in climate change and ask suppliers to reduce the GHG emissions of their plantations and report operational GHG emissions through annual reporting to CDP Supply Chain.
- Support the Consumer Goods Forum pledge to help achieve zero net deforestation by 2020, as a member of the organization and through our partnership in the Tropical Forest Alliance 2020.
- Publicly report annual progress for achieving the above commitment through annual [Global Palm Milestones](#) updates.