

Living Our Founder's Values:

KELLOGG COMPANY 2020 GLOBAL HUMAN RIGHTS MILESTONES



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Our Commitment

Our founder W.K. Kellogg once said, *“Dollars have never been known to produce character, and character will never be produced by money. I’ll invest my money in people.”* As a global company, Kellogg has a responsibility to respect and advance human rights. Our social responsibilities extend throughout our global value chain – from our employees, to our suppliers, stakeholders, people who enjoy our foods, civil society, and to the people and communities where our foods are grown and made.



Our founder’s values live on today in our Deploy for Growth global business strategy, which starts with “people must be our competitive advantage.” People are the heart and soul of our business and Kellogg is committed to protecting, respecting, and advancing the cause of human rights across our value chain in our work internally, externally, and in our corporate priorities.

We understand that a critical part of running a good business is to also do good for society. As a global company we know we can influence positive societal change. We are focused on this throughout our global value chain – from our employees, to our suppliers, from our customers to our consumers and the people and communities where our foods are grown and made.

Globally, we have been working to protect and advance human rights for over a decade. We have a strong reputation with NGOs and customers, and our performance has been recognized in various global Human Rights benchmarks.

In 2020, we ranked 13th in the Know the Chain global human rights benchmark and 14th in the Corporate Human Rights Benchmark across industries.

Our commitment to protecting fundamental human rights will always remain a priority for us. With an ongoing focus on evolving and strengthening our Human Rights strategy and governance efforts, we recently updated our [Global Human Rights Policy](#) – leveraging the UN Guiding Principles to take a risk-based approach to ensure we drive the biggest impact on human rights priorities, while acknowledging the limitations of our reach. You can learn more about our work [here](#). Building on our global framework, Kellogg is using credible third-party data to strengthen our understanding of the most salient risks in our operations and supply chain. Unsurprisingly, these risks are not dissimilar to those faced by peer organizations who operate in the food, beverage and grocery sector, with risk considerations including the regions we operate in and the commodities we source. This report details our approach to protecting fundamental human rights within our operations and our supply chain, as well as outlining some of the key actions we are taking to continuously review, address and reduce the most salient identified risks.

Policies & External Alignment

In 2020, Kellogg published our updated [Global Human Rights Policy](#). This policy highlights salient rights risks within our operations and global supply chain and details our refreshed Human Rights Strategy for how we are working to mitigate and remediate these issues. These risks were identified through a detailed internal materiality analysis and with the support of a third-party consulting firm, ELEVATE. This policy supplements our other foundational policies, the [Global Supplier Code of Conduct](#) and [Policy Statement Prohibiting Involuntary Labor](#), that guide our operations and inform our expectations for supplier and supply chain partnerships.

Furthermore, Kellogg is committed to, aligned with, and supports, all internationally recognized human rights as codified in the [United Nations Guiding Principles on Business and Human Rights \(UNGPs\)](#), [International Bill of Human Rights](#) (including the [Universal Declaration of Human Rights](#)) and the eight International Labour Organization (ILO) core conventions as set out in the [Declaration on Fundamental Principles and Rights at Work](#). As signatories, we are also

committed to upholding the ten principles of the [United Nations Global Compact](#) and the [Women's Empowerment Principles](#). We also reference and follow the [OECD Guidelines for Multinational Enterprises](#). Kellogg believes these rights are inherent for all human beings and we acknowledge that they are interrelated, interdependent, and indivisible. We are committed to ensuring our operations do not infringe upon the human rights of others and that should adverse impacts be discovered, we will seek remediation aligned with Kellogg policies, international standards, and the expectations of our customers, consumers, and stakeholders.

“From our earliest days, Kellogg has been a purpose-driven organization, a company with a heart and soul. Our visionary founder, W.K. Kellogg, instilled in us the understanding that a critical part of running a good business also is doing good for society. For more than a century, Mr. Kellogg’s values have inspired our philanthropy, sustainability and social equity work. That’s why we have always worked hard to make sure that our company and our business practices deliver benefits to people, to communities and to the planet. Today, we take very seriously our commitments and our support of the communities we serve. It is the foundation of everything we do.”

– Steve Cahillane, Chairman and CEO

Our Business

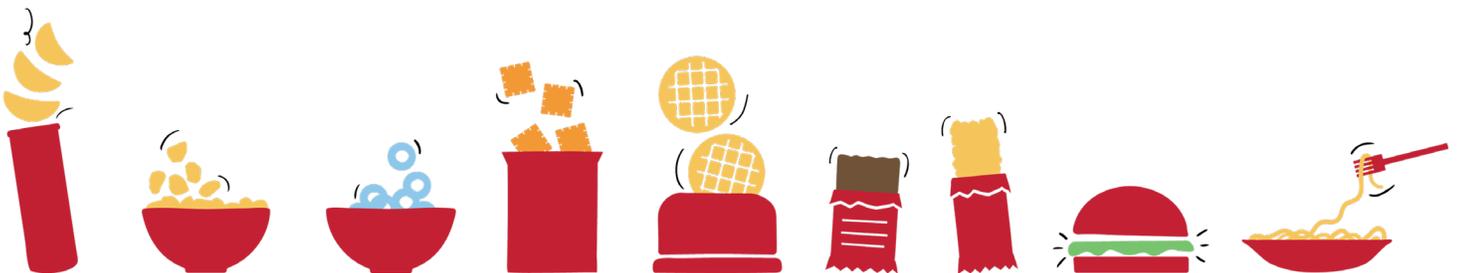
Kellogg is a global consumer goods company with manufacturing operations in 21 countries and products marketed in 180 countries.

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.

Our principal products are snacks, such as crackers, savory snacks, toaster pastries, cereal bars, granola bars and bites, and convenience foods, such as ready-to-eat cereals, frozen waffles, veggie foods and noodles.

They are sold to retailers through direct sales for resale to consumers. We use broker and distributor arrangements for certain products and channels, as well as less-developed market areas or in those market areas outside of our focus.

Our snacks brands are marketed under brands such as Kellogg's, Cheez-It, Pringles, Austin, Parati, and RXBAR. Our cereals and cereal bars are generally marketed under the Kellogg's name, with some under the Kashi and Bear Naked brands. Our frozen foods are marketed under the Eggo and Morningstar Farms brands. We also market crackers, crisps, and other convenience foods, under brands such as Kellogg's, Cheez-It, Pringles, and Austin, to supermarkets in the United States through a variety of distribution methods.



Corporate Governance

At the board level, human rights are overseen by the Social Responsibility and Public Policy subcommittee of the Kellogg Board of Directors, which assists the Board in its oversight responsibilities on certain social and public policy issues.

At the executive level, human rights issues are overseen by the Chief Sustainability Officer, who reports to the Senior Vice President of Global Corporate Affairs. We also convene a global cross-functional team comprised of Sustainability, Human Resources, Procurement, Environment Health & Safety, Communications and Legal to assess and track our global activities to inform our Human Rights Policy and strategy. Each group is involved in decisions related to issues such as child labor, forced labor, freedom of association and collective bargaining, health and safety, land rights, water and sanitation, and women's rights.

At the daily work level these topics are managed collaboratively by our Sustainability, Procurement, Legal, Human Resources, Supply Chain, and Ethics and Compliance functions with each group involved in various capacities and different aspects of responsibility.

Internal accountability is an important aspect of the Kellogg's corporate culture. Our Office of Ethics and Compliance serves as a resource for clarification of Company policy or reporting issues related to ethics and business conduct. Employees and suppliers are encouraged to contact the Ethics Office without fear of retribution or retaliation. We protect the confidentiality of all reporting sources.

Risk-Based Approach

We are committed to engaging and partnering with peers and suppliers to find solutions to issues within our global supply chains – this is essential to our work in human and workplace rights. We set clear expectations, seek to drive accountability and assess potential and actual risk that our supply chain operations may cause or contribute to, both directly and indirectly.

In 2019, we undertook a third-party verification exercise with ELEVATE to reassess our salient human rights risks, both for owned operations and within our supply chain. In 2020, informed by this assessment, Kellogg updated policies, due diligence methodology, and reporting. This approach is aligned with the UNGP guidance on identifying areas where the risk of adverse human rights impacts is most significant.

Kellogg utilizes a combination of publicly available indices from reputable sources, including Sedex Radar, to assess forced labor risk for supplier operations by region and commodity.

- Risk factors include regional location of operations, sector or commodity, degree of salience to industry identified issues, and supplier specific information.
- Targeted facilities are asked to complete a robust self-assessment detailing policies and procedures related to labor practices to identify gaps that could indicate the possibility of, or potential for, human rights abuses or nonconformance.
- Audits include on site worker interviews according to SMETA best practice guidance, including determining the percentage of workers interviewed.

Kellogg high-risk priority ingredients and sourcing countries combinations:

According to [U.S. Department of Labor ILAB](#)



SUGAR
CANE

Brazil
Colombia
Thailand
Mexico



COCOA

Ghana
Cote d'Ivoire

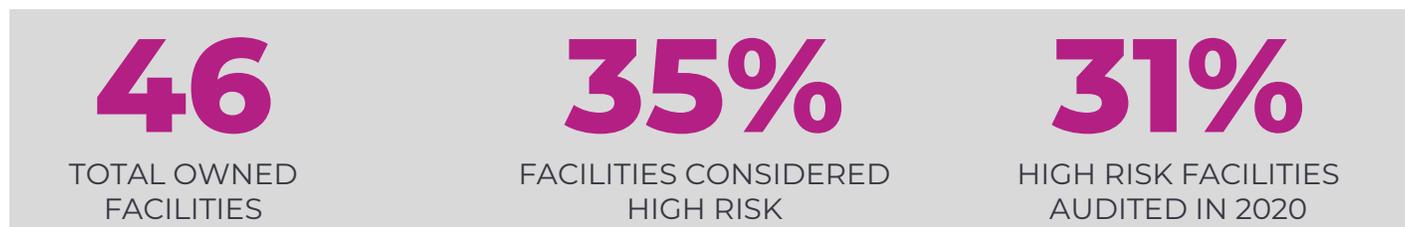


PALM OIL

Malaysia
Indonesia



Own Operations



In 2020, Kellogg performed third-party audits for 5 of our highest risk internal facilities. Due to Covid-19 restrictions across multiple regions audit activity was severely restricted as we enacted various protocols to protect the health and safety of our employees. As part of our ongoing efforts to identify, prevent, mitigate, and remediate issues within our own operations we will continue to audit our high-risk facilities to ensure continued compliance with internal and international standards of human rights due diligence.

Supply Chain Operations



As of 2020, 96% of global in-scope suppliers have registered with the Sedex platform and 95% have registered and linked all Kellogg supplying sites. This aids Kellogg to more accurately track Tier 1 supply chain locations and assess current audit status including open non-conformances or pending actions. In-scope refers to suppliers within the Top 80% spend profile, high risk commodity suppliers, and/or those with high exposure to contract labor.

We are continuing to work with our suppliers to achieve completion of the Sedex Self Assessment Questionnaire to better assist risk profiling and commodity/country risk exposure.

Grievance Mechanism – Kellogg Ethics Hot Line

Our Ethics Hot Line offers a confidential way for employees, suppliers, contractors and the general public to ask questions and report concerns in relation to ethics, compliance or any other requirements in our Global Code of Ethics and Supplier Code immediately and anonymously 24 hours a day, 7 days a week via telephone, internet or mobile app. The Hot Line is operated for Kellogg by a third-party, confidential reporting company and always available to over 30,000 Kellogg employees in 21 countries in the caller’s local language. The operator will listen to concerns or inquiries and provide a written summary to the Office of Ethics and Compliance for investigation and further action, as appropriate.

Regional compliance leaders review and resolve complaints and inquiries consistent with our investigation protocols. All complaints and inquiries are monitored and subject to review at the corporate level. Most investigations can be completed quickly. Our goal is to complete investigations within 30 days. However, completion timelines may vary depending upon additional factors such as the availability of witnesses, etc. Appropriate action is taken, based on investigation findings. Lessons learned are leveraged to prevent and detect future misconduct, ensure compliance, and identify any other opportunities for improvement.

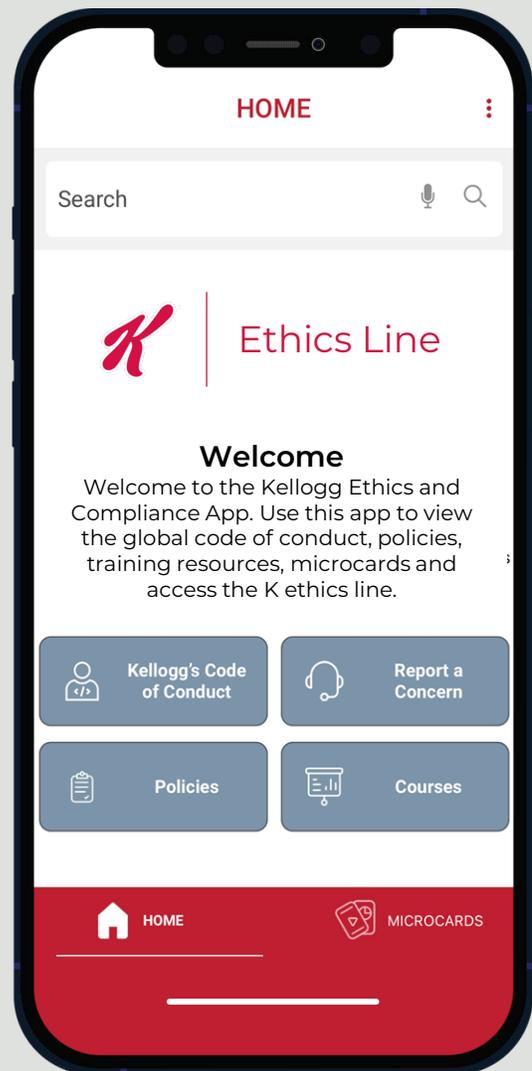
2020 HOT LINE COMPLAINTS AS OF 12/31/2020*

| | |
|---|------------------|
| Number of Complaint Tickets Received | 324 |
| Number & Percent of Complaint Tickets Closed | 321 (99%) |
| Number & Percent of Complaint Tickets Substantiated | 102 (31%) |

* No forced labor complaints

Throughout 2019 and 2020 Kellogg rolled out its updated Ethics Line mobile app to employees to increase the accessibility of grievance reporting. In addition to other methods of grievance reporting such as through email, hotline and direct reporting the mobile app allows users to anonymously report issues and track the progress and status of their complaint. This app is also available to suppliers and workers throughout our supply chain. In the coming months we will continue to socialize this new method among our employees and supplier contacts.

In addition to being able to report concerns, the app also provides access to our Code of Conduct, relevant policies, and training courses on various topics.



Progress On Kellogg Grievance Mechanism

- **2018**

Continue global review and resolution of Hot Line complaints, increase public reporting about the grievance process and outcomes, and promote availability of the Hot Line through internal communications to employees and contractors in our facilities.

- **2018-2019**

Continue Regional Partnership to identify and implement opportunities for improvement and explore pathways to promote the Hot Line beyond our employees and contractors.

- **2020-2021**

A refreshed [Code of Ethics](#) and training module was rolled out to the workforce. To reinforce the training, a 16-month series of communications will be shared to bring Code provisions to life.

The MyHR portal provides employees with the ability to report or manage any people-related concerns or activities from 6 a.m. until 1 a.m. ET, Monday-Friday.

| Complaint Topic | # Received |
|--|------------|
| Accounting, Auditing and Financial Reporting | 6 |
| Business Integrity | 37 |
| Environment, Health and Safety | 52 |
| HR, Diversity and Workplace Respect | 187 |
| Misuse, Misappropriation of Corporate Assets | 48 |
| Forced Labor | 0 |
| Total | 332 |

ELEVATE Supplier Assessment Pilot

In 2019, Kellogg partnered with ELEVATE to develop a comprehensive long-term, data driven responsible sourcing strategy that addresses salient rights risks within priority Tier 1 ingredient and packaging supply chains. This work enables the scalability of current programs and supports the Kellogg's Better Days platform. This program has two phases; segmentation and supplier categorization and execution of risk assessments, beginning with prioritized Tier 1 suppliers according to human rights risk.

During the first phase of this work [ELEVATE's segmentation services](#) mapped the supply chain based on inherent sourcing risks and business leverage insights to determine which segments of the supply chain provide the greatest opportunity for Kellogg to influence change. This analysis drew on ELEVATE's intelligence risk landscape which assesses supply chain risk by geography, sector, and issue. It combined publicly available datasets such as the Global Slavery Index and the UN Human Development Index with proprietary supply chain category risk scores. This was combined with Kellogg's geographical and sourcing data to create enhanced visibility into existing sourcing practices and supplier relationships to generate insights and measures for identifying highest risk and prioritization.

ELEVATE's resulting analysis grouped suppliers into different segments. These groupings provided Kellogg with data-driven inputs for resource allocation to achieve performance improvements, mitigate risk, and maximize supply chain impact.

768 Tier 1 sites were identified as in-scope for this analysis. These sites cover 42 countries, 47 product categories, and over 3.7B in spend globally. They were mapped based on inherent sourcing risks and business leverage.

For the execution phase of this work, Kellogg partnered with 16 suppliers representing 26 individual site locations. These sites were deemed high priority based on the phase one segmentation process. Each site location was assigned at least one assessment type. The type of assessment administered was chosen based on criteria such as geographical location,

ELEVATE Supplier Assessment Pilot | cont.

primary facility operation, migrant worker presence, and inherent social risks. These assessments included:

- Worker Voice Survey:
 - Worker Sentiment Survey, or
 - Critical Issues
- On-site Social Assessment - ELEVATE Responsible Sourcing Assessment (ERSA)
- Child Labor Self-Assessment Questionnaire

The assessments were carried out both in-person and virtually, depending on availability, local COVID situation, and preference. The assessment execution phase ran primarily from November 2020 through April 2021. Throughout this timeframe, 15 suppliers representing 21 sites participated in the program. An additional 6 sites will complete their assessments by the end of 2021.

Our goal for this program was to partner with our Tier 1 suppliers to gain a deeper understanding of potential and actual human rights risks present within our supply chain. By using assessment types that focus on targeted information related to inherent social risks we seek to go beyond standard audit data collection and achieve actionable insights to address issues that directly affect the people working in our supply chain.

- 4 On-site Assessments (ERSA)
- 6 sites conducted Worker Sentiment Surveys (worker voice)
- 12 sites conducted Critical Issues Survey (worker voice)
- 11 sites completed the Child-Labor SAQ
- 7 sites participated in two assessment types
- 7 countries represented: Argentina, Brazil, China, Cote d'Ivoire, India, Indonesia, Mexico, Turkey



ELEVATE Supplier Assessment Pilot | cont.

Actioning on the learnings from this pilot, Kellogg and Elevate are developing a plan for supporting participating suppliers to enable them to act on the findings from these assessments and remediate identified issues. We are also taking feedback from our suppliers regarding their experiences with this program to incorporate into future human rights due diligence work.



Assessment Types

Worker Sentiment Survey: representative sampling of worker feedback deployed via mobile device. Surveys offer insight to topics otherwise difficult to surface (e.g., harassment), and provide workers' perspective to understand potential opportunities for improvements.

Critical Issues Survey: using ELEVATE standard worker sampling and mobile survey methodology. Focus areas include Wages, OT, Discrimination, Abuse, Employment Contracts, Forced Labor, etc.

On-Site Assessment: Health & Safety, Working Hours, Wages, Forced Labor, Migrant Labor, Child Labor, Discrimination & Harassment · Similar to a traditional audit but includes an integrated worker survey and a more focused review of individual high-risk issues

Child-Labor Risk SAQ: Gather in-depth understanding of risks not fully investigated in an onsite social compliance assessment. Looks at how child labor is managed at the site and within the supply chain.



ELEVATE Supplier Assessment Pilot | cont.

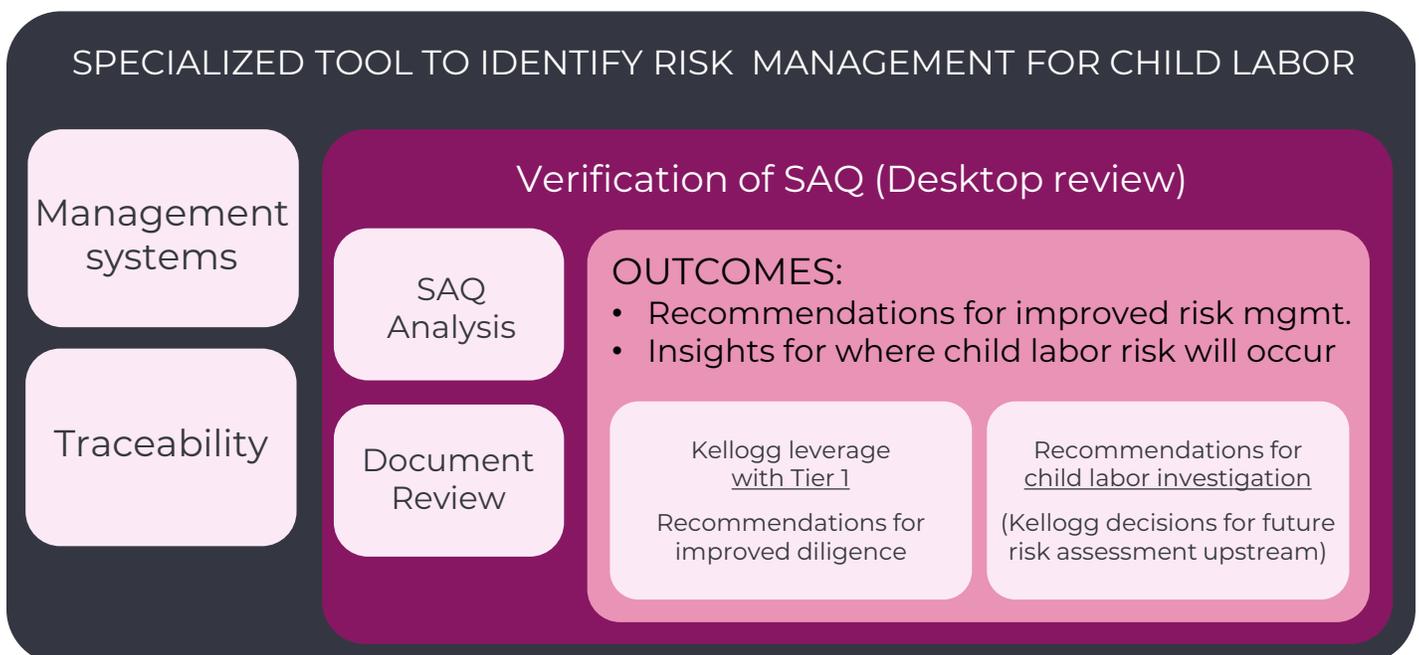
Program Highlights and Findings

ERSA

- Issues in Wages & benefits, working hours, emergency evacuation, fire safety, & management systems found
- Facility transparency was flagged and suspicion of potential record falsification at one site
- No significant issues in child labor, forced labor, environment, & management systems

Child Labor SAQ

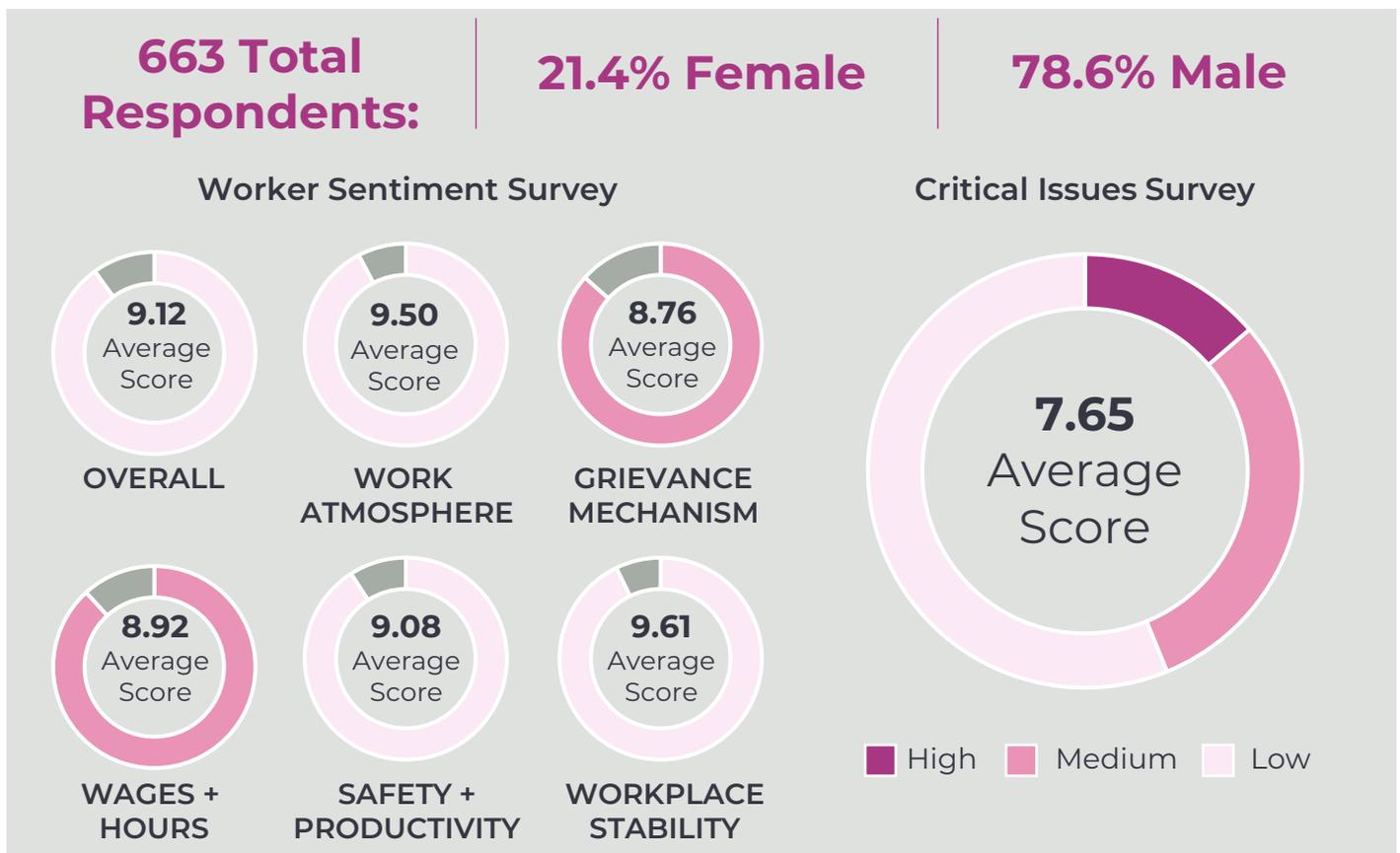
- Issues with documentation provided for review were found for most sites
- As child labor is an issue that most often occurs further upstream within the supply chain it was found that many sites did not have sufficient site-level risk-management
- While no instances of child labor were found, there was identified opportunity for further capacity building activities at this level in the supply chain



ELEVATE Supplier Assessment Pilot | cont.

Program Highlights and Findings

- Average overall Sentiment score is 9.12, which indicates strong performance and high levels of worker satisfaction.
- Average Critical Issues score was 7.65, with an average of 8.75 low risk issues per site, 5.00 medium risk issues, and 2.25 high risk “flag” issues identified, rating on a scale of 1-10
- Results were generally positive but there were isolated reports of issues with inability to refuse overtime, harassment, willingness of workers to raise grievances, and accurate working hour timekeeping records



ELEVATE Supplier Assessment Pilot | cont.

Key Findings

Throughout this program, we observed the need to further and better socialize assessment types that do not follow the typical social audit structure. For many of our suppliers, worker voice surveys, in particular, were an unfamiliar tool. As audit schemes, such as SMETA, have become common within industry due diligence programs, alternative tools still have an opportunity to find a place in the assessment landscape. Our intention with deploying a sampling of these alternative methods with selected supplier sites was to gain a different perspective of potential issues within our Tier 1 supply chain operations. We sought to hear directly from workers regarding their experiences and to look for ways that we can better partner with our suppliers to ensure both the viability of existing programs and the efficacy of implementation from a different vantage point rather than through policy and documentation review. We fully support and recognize the value that auditing has within our industry and while that continues to be a core feature in our own program for our operations and supply chain, we want to be sure that we are also taking the initiative to explore ways we can further enhance our due diligence to drive meaningful actions and impact. Moving forward, we will continue to collaborate with our supplier partners, industry peers, and external organizations to incorporate innovative approaches and evolve our programs.

For the purposes of this pilot, we are currently working back with ELEVATE on remediation plans to follow up on findings and identified issues. As in our own operations, our goal is to ensure a safe and sustainable working environment for all employees in our supply chain operations.



As part of our responsible sourcing goals for our priority ingredients, we directly invest in *Kellogg's Origins™* programs with farmers to remedy salient, adverse human rights impacts in the agricultural portion of our supply chain. This section provides 2020 case studies from *Kellogg's Origins™* created to promote and protect human rights at origin. Where relevant, these programs also provide funds or technical assistance to promote farmers' climate resilience and restore local ecosystems through improved agricultural practices.

Vanilla in Madagascar

Madagascar is a special place that Kellogg and others are working to protect. It's estimated that 90% of the wildlife on the island nation off the southeast coast of Africa is unique to the country, leading some ecologists to refer to Madagascar as the "eighth continent." The country also has been classified a biodiversity hot spot by [Conservation International](#).

Madagascar's fertile soil and favorable climate make it ideal for growing 80% of the world's vanilla crop, however It's the ninth poorest country in the world due to lack of infrastructure and environmental degradation. Ankavanana, a remote region in Northeast Madagascar, is at particular risk because it is prone to high soil erosion from slash and burn practices used to clear land for agricultural purposes. The area is also frequently hit by devastating cyclones. Although most of the year there is enough to eat in the region, rice is the main meal and most people's diets are not varied, which can lead to malnutrition, particularly in children.

Kellogg and its vanilla supplier, [Symrise](#), are supporting efforts to protect the land to help improve livelihoods of 1,000 Malagasy smallholder vanilla farmers and their families in the Ankavanana region. The project trains farmers to become more climate and financially resilient, as well as educate how to incorporate diverse crops on their land to increase access to more nutrients in the diet.

"Kellogg's commitment to invest together with Symrise, and to share their expertise on climate smart agriculture is very valuable to the smallholder vanilla farmers in this remote region of Madagascar," said Hamish Taylor, Symrise Advisor on Sustainability. "This public-private partnership is an excellent example of our shared commitment to the United Nation's Sustainable Development Goals, in particular SDG#17 "Partnerships for the Goals."

Working together with Symrise, Kellogg's is directly contributing to the well-being and economic resilience of a dozen villages and almost 2,000 people.



Vanilla in Madagascar | cont.

Project Highlights:

- Directly empowering women through improved representation in the leadership of farmers' groups and community associations. Currently, women comprise 20% of leadership positions within participating farmer groups.
- 3 community forestry management plans have been established with the Support Organization for Rural Development in Madagascar (OSDRM). Continued monitoring of these programs will be done with the Regional environment department (DREDD).
- Continued support to 12 village primary schools in the Ankavanana region through teachers' salaries payments, books and teaching material purchases, and school roof repairs.
- Established 8 new Community Based Savings Groups totaling 127 members with 47 women participating.
- Registration of 400 farmers' households (2,000 beneficiaries) to Mahavelona (Mutual Health care system) which provides free access to doctors and hospital, and subsidized costs of medicine.



Sultanas in Turkey

Every summer, tens of thousands of seasonal workers move across Turkey to work in agricultural production. Most of these workers are from the southeastern part of Turkey. They travel as families, moving from crop to crop for six to eight months each year. It is common for children to work alongside their parents, contributing to the household income but at great cost to their own development.

The Harvesting the Future (HTF) project grew from a vision to bring about far-reaching change on child protection and responsible recruitment by pursuing a “multi-sector, multi-stakeholder, and multi-geography approach.” Companies that wanted to support meaningful and sustainable change for workers, but were limited in creating a large-scale impact working on their own, joined forces through this project.

In 2020, Kellogg joined the [Fair Labor Associations’ \(FLA\) Harvesting the Future Project](#) to advance our work in addressing human rights issues at origin and support the responsible sourcing of sultanas originating in Turkey.



Sultanas in Turkey | cont.

During 2020 we worked together with FLA to engage our suppliers in the project and commence the supply chain mapping and risk assessment process. Two of our sultana suppliers were already active in the project prior to us joining and have been involved from the start. We have now encouraged two additional sultana suppliers to come on board. As a result of Kellogg's partnership, the project has been able to engage with 8 of the most prominent sultana suppliers in the region. Companies and suppliers, through risk assessments at the farm level, developed a shared commitment on six priority issues: 1) child labor, including the risk level for various commodities; 2) hazardous work by young workers; 3) informality of employment relations; 4) excessive working hours, including for children; 5) lack of payment of minimum wages; and 6) lack of access to basic services, such as water, hygiene, sanitation, and child protection.

We are currently working with the FLA and our sultana suppliers to assess the potential for further work in Phase II to build upon completed activities and continue support of their responsible sourcing journey.

Sultanas in Turkey | cont.

Project Results:

- **89** company and supplier officials were trained on decent work, child labor, hazardous work for children, and child protection in partnership with UNICEF.
- **12** suppliers launched child labor monitoring and remediation programs and started communicating these requirements to their producers and labor intermediaries which recruit workers.
- **105** labor intermediaries received training on child labor and decent work.
- **79** labor intermediaries were legally registered with support of the Turkish Ministry of Labour. The project provided a forum to regularly engage with the government agencies.
- **20** suppliers mapped their upstream supply chains, covering 746 small producers. Several suppliers became aware, for the first time, of the prevalence and root causes of child labor and other labor rights violations in their supply chains. Child labor ranged from 5 percent to 45 percent of the workforce, depending on up the commodity.
- **363** labor intermediaries registered in an online database and mapped 528 worker groups (family members, extended family, and friends traveling together) comprising of 9,440 workers across six commodities.

The project established a new multi-stakeholder collaboration at scale on issues of labor migration, child protection, and responsible recruitment. The project improved the capacity of the participants to tackle core labor rights challenges and increased coordination and implementation of responsible recruitment principles and child protection programs in companies' supply chains. By helping companies improve working conditions, the project provided a set of standards relevant to government regulators, investors, buyers, and consumers.



Combatting Child Labor in Ghana

In September 2018, Kellogg partnered with supplier Barry Callebaut to kick off a two-year pilot program aimed at remediating and mitigating the risks of child labor in the cocoa farming community of Nsuekyir, Ghana. The project consists of a package of interventions designed to provide educational support to the children of cocoa farming families, teacher support to local educators, farmer support, and community support. The pilot program design is predicated on the idea that to fight child labor, holistic community wide solutions are required and that by supporting families and communities we can empower people with the resources they need to benefit from sustainable long-term change. Rather than quick fix solutions, we seek to address the root causes of these issues, the complexities and individualities of specific communities, and the needs of families as we seek to affect lasting change.

Combatting Child Labor in Ghana | cont.

The objective for this pilot project is to reduce the number of children participating in heavy or intense labor activities by providing children, teachers, families, and the community with the support needed to help keep school age children in schools and out of hazardous farm work.

The number of cases of child labor identified through child labor monitoring surveys among project beneficiaries, which included instances of activities such as weeding and carrying heavy loads, was lower after project implementation. Evidence witnessed in the community and expressed by project participants indicates support of the activities and their success as drivers of reduced child labor.

Prior to the start of the program implementation, a series of informational and educational meetings were held with various stakeholder groups, including the Ghana Education Service, the District Social Welfare Department, District Director of the National Commission for Civic Education (NCCE) and the leadership of the beneficiary community. The aim was to ensure effective involvement and engagement of stakeholders throughout all stages of project implementation. Issues discussed included effective collaboration and teamwork to ensure efficiency and sustainability of the project interventions. Having engaged with the leadership of the beneficiary community, the project team also held communitywide sensitization and awareness sessions to address any concerns before for the start of the project.

Project Results:

- **100** children received school kits including books, book bags, shoes, socks, pens, pencils and erasers at the start of each year. They were also provided with meals each school day throughout the period of the project.
- **30** families were presented with solar lamps to enable them to carry out household activities at night.

Combatting Child Labor in Ghana | cont.

- **5** teachers at the local school were provided teaching and learning materials such as posters, textbooks, markers, flashcards and graph boards.
- Each teacher was also presented with a bicycle to facilitate their attendance to school and motivational income to enhance teaching and learning.
- The beneficiary community had a borehole drilled to have convenient and regular access to potable water.
- A solar streetlight was also installed to aid night activities in the community.
- A child protection committee was formed in the community to ensure awareness creation and remediation of identified child labor cases. Child labor cases beyond their control are escalated to the District Child Labor Committee (DCLC) for remediation.
- **30** farmers received assistance to carry out weeding and pruning; the two major activities that farmers struggle with on their cocoa farms for two consecutive years.

Combatting Child Labor in Ghana | cont.

Throughout the pilot program, a number of intervention strategies were deployed to support students, families, local school faculty, and the community as a whole. This mix of activities was in acknowledgment of the fact that the circumstances that lead to children being involved in hazardous work are varied and highly localized. This project focused on one specific community and was designed by taking into account the local drivers of child labor and the opportunities present for additional support.

At a supply chain scale the cost and intensive nature of the program can be prohibitive, in addition requiring certain prerequisites (e.g., a school in the community for the intervention). However, the success of the program has provided some key insights into enabling factors for success in child labor programming that can be factored into larger scale approaches. Where schools are present, keeping children in school throughout the day clearly supported reduced absenteeism. The school interventions were diverse but point to the need to engage local schools in the reduction of child labor. Community ownership of the project was identified as key to its success. This was achieved through early consultation with community leaders and through motivation to the community in the form of a borehole and solar streetlight. Community leaders were vocal about child labor, created systems for responsible and creative use of the resources provided, and demonstrated clear dedication to the program and the Community Child Protection Committee, in particular.

At Kellogg, we are committed to combatting child labor within our supply chains and will continue to partner with suppliers, peers, NGOs, and other stakeholders to implement remediation and prevention strategies. We recognize that this issue cannot be solved through the actions of any one organization but requires wide-scale collaboration to make meaningful change in the lives of communities, farmers, and children. We appreciate the partnership of suppliers like Barry Callebaut for their expertise and commitment.



Supporting Smallholder Cocoa Farmers in Ecuador

Due to impacts from climate change and global market crop price shocks, farmers across Central America face decreasing crop yields, loss of income, and an inability to consistently maintain farms. Insufficient diversification of agricultural activity and a lack of alternative income streams put small-holder farmers and their communities in a position to be less able to withstand the impacts of climate change and downturns to global market prices. In Ecuador, cocoa is one of the most lucrative cash crops that farmers are able to grow. However, external factors are putting increasing pressure on these farmers and making sustainable livelihoods increasingly precarious.

In recognition of these issues, Kellogg and supplier partner Olam joined together in a three-year project beginning in 2018 to improve and increase support for the livelihoods of cocoa farmers and their communities in Ecuador. This program included the development and dissemination of training materials designed to integrate sustainable organic agricultural practices into cocoa production, increase crop diversification, and stabilize climate resilience. The project focused on the cocoa growing regions of Guayas, El Oro, Los Rios, Santo Domingo, Marabi, and Esmeraldas.

In Year 1, this project focused on cocoa seedling nursery management and how to select and nurture high-yielding cocoa varieties with the highest probability for success and the establishment of vegetable nurseries for nutritional and income diversification.

Year 2 saw the development and implementation of materials focused on income diversification and organic management approaches. These included training modules on apiary management and honey production, organic fertilizer production units of wood vinegar, and overall soil conservation and protection.



Supporting Smallholder Cocoa Farmers in Ecuador | cont.

In 2020, the project added new activities due to constraints put on implementation as a result of the outbreak of Covid-19 that limited in-person training sessions. However, some activities were executed in Q1 of 2020 prior to local restrictions including conducting 12 Farmer Field Schools (FFS) on implementing and managing a cocoa seedlings nursery, 17 FFSs on organic fertilizer production units such as wood vinegar, and 7 FFSs on improving post-harvest processes.

Cocoa Seedling Nursery

In Q1 2020, 1 community cocoa nursery was setup for a group of 10 farmers who worked on growing 6000 cocoa seedlings. The farmers were provided with construction materials for the nursery, plastic bags, and irrigation systems. The trainings covered information on selecting planting material, maintaining a clonal garden, grafting techniques, preparing the land for planting of seedlings and maintenance of cocoa seedlings in the farms.



Organic Fertilizer Production – Wood Vinegar

The process and materials for training farmers on wood vinegar production were developed over the last two years with the FFSs being conducted across multiple areas. Additional training was conducted in Q1 of 2020 and supported more than 10 farmer groups with each group having 12-15 farmers. The product developed by the farmers is being widely used by them as they are seeing good results in better flowering of trees and lower diseases (when the pods are sprayed with this). This has also led 2 farmers to start selling this product locally to their community, providing a new source of income.





Supporting Smallholder Cocoa Farmers in Ecuador | cont.

Post-Harvest Processes

As there are different steps in post harvest process and it varies based on type of cocoa, Olam focused their trainings on the fermentation and drying process in Nacional cocoa initially. 7 FFS were conducted across different regions, with approximately by 150 farmers attending.

Covid-19 Support & Digital Training

Throughout most 2020, due to the inability to meet farmers in-person, the project focused on virtual content development. These digital trainings consisted of:

- Training leaflets developed for self-care for farmers during covid-19 for farmers.
- Training leaflets distributed for suppliers to ensure safe procedures during covid-19.
- Regular communication through WhatsApp and text messages with information regarding good agricultural practices related to cocoa farming.



5,527 FARMERS

received digital training on these topics.

Supporting Smallholder Livelihoods in Central America through Cacao Agroforestry Training (MOCCA)

Smallholder coffee farmers in Central and South America face many challenges that limit their earnings from farm related activities. Most are unable to access affordable farm maintenance financing that would allow them to upgrade their plants with high-quality genetic material for planting or learn to implement techniques that could increase profitability of existing farms. As coffee prices have tended to decline over the last several years, many farmers have shown interest in diversifying to cacao to supplement and increase earnings.

In December 2019, Kellogg partnered with TechnoServe to support coffee farmers in El Salvador, Guatemala, Honduras, Nicaragua, and Peru receiving support from the USDA-funded Maximizing Opportunities in Coffee and Cacao in the Americas (MOCCA) Project, who are interested in planting cacao. The contribution from Kellogg allowed TechnoServe to develop country-level, bespoke training materials to reach farmers directly who have an interest in crop diversification. TechnoServe gathered existing Spanish-language videos and training materials related to planting and cultivating cacao agroforestry systems and identified gaps in content that could be supported through the development of new material.

With the help of MOCCA partner LWR, TechnoServe reviewed existing training materials and found that while several organizations in Latin America, including NGOs, farmer associations, trade associations, and national government extension services, have already developed training videos, there were areas of opportunity such as Spanish-language videos on how to establish cacao agroforestry systems, training material for how to select planting arrangements to maximize compatibility and yields and how to select appropriate planting material. There was also an opportunity to create content that could be more widely and easily disseminated to farmers such as through smartphones.

Supporting Smallholder Livelihoods in Central America through Cacao Agroforestry Training (MOCCA) | cont.

In total, twenty videos were created for farmers on various topics. In addition, TechnoServe also developed fact sheets for each training topic, which were sent to farmers receiving the videos. Videos and factsheets were distributed via WhatsApp training groups created by MOCCA.



4,169 COFFEE FARMERS
received cacao training videos

| El Salvador | Guatemala | Honduras | Nicaragua | Peru |
|-------------|-----------|----------|-----------|------|
| 807 | 1,705 | 554 | 403 | 700 |



MOVING FORWARD

As we continue our responsible sourcing journey, and work to embed human rights due diligence into all of our operations, we will continue to build awareness and share best practices regarding salient human rights issues. We remain committed to further expanding our efforts to increase visibility and transparency into the lower tiers of our highest risk areas and commodities.

We will also continue to seek ways to better partner with our suppliers to ensure that all within our value chain operate in accordance with our policies and requirements and provide guidance to those that need to improve or remove those that fail to meet expectations of engagement. We know that the tools to build a sustainable and ethical supply base are often found through activities deemed to be “beyond compliance”. We will continue increasing our efforts, through robust policies and procedures to ensure the fair and appropriate representation of all affected stakeholders.

CGF PRIORITY INDUSTRY PRINCIPLES ON FORCED LABOR

Kellogg supports the CGF Priority Industry Principles on Forced Labour for both our own operations and our suppliers. As with other policies, we require the dissemination and adherence of these principles throughout our supply chain.

EVERY WORKER SHOULD HAVE FREEDOM OF MOVEMENT >>>>

NO WORKER SHOULD PAY FOR A JOB

NO WORKER SHOULD BE INDEBTED OR COERCED TO WORK

EXTERNAL ENGAGEMENT

- [AIM-PROGRESS](#) – Leadership Team and Human Rights Steering Group
- [Consumer Goods Forum](#) (CGF) – Multiple work groups including the Coalitions for Human Rights/Forced Labor and the Sustainable Supply Chain Initiative (SSCI)
- [Roundtable on Sustainable Palm Oil](#)
- [North American Sustainable Palm Oil Network](#)
- [United Nations Global Compact](#)
- [United Nations Women’s Empowerment Principles](#)
- [SEDEX](#)
- [Palm Oil Transparency Coalition](#)