



Q&A with Our President and CEO

Leading Diversity and Inclusion in Our Plants

Our Efforts to Reach Hispanic Consumers

Initiatives of Our Employee Resource Groups

Profile of a Diverse Supplier

Kellogg's

FEATURES

Diversity and Inclusion Annual Report
2012 / 2013





Contents

- Message from the Kellogg Office of Diversity and Inclusion 2
- Q&A with Our President and CEO 3
- Our Diversity and Inclusion Journey 5
- Diversity at Kellogg by the Numbers 6
- Awards and Recognitions 7
- W.K. Kellogg D&I Award Winners 8
- Recruiting for Diversity 9
- Learning and Development 10
- Spotlight On: Diversity and Inclusion in Our Plants 11
- D&I Around the World 15
- Our Employee Resource Groups
 - Latino Employee Resource Group (¡HOLA!) 17
 - Kellogg African-American Resource Group 19
 - Kellogg Multinational Employee Resource Group 21
 - K-Pride & Allies 23
 - KVets & Supporters 25
 - Women of Kellogg 27
 - Young Professionals 29
- Our Diversity and Inclusion Councils 31
- Community Engagement 33
- Diversity in the Marketplace 35
- Supporting Diverse Suppliers 37
- Diversity Champions 39
- Message from Our Global Head of Diversity and Inclusion 40



Message from the Kellogg Office of Diversity and Inclusion

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

This year, be sure to see our special focus on diversity and inclusion in our manufacturing plants (p. 11), our closer look at diversity efforts in some of our global locations (p. 15), highlights from our Employee Resource Groups (p. 17), and the discussion about our new Latino Engagement Council (p. 32).

Whether you are a consumer, a customer, an investor, or a past, present or future employee, we hope you enjoy reading about Kellogg Company's key D&I efforts in this year's report. And, we welcome your feedback on both the report and the ongoing work we are doing on our D&I journey. Feel free to contact us at diversity.inclusion@kellogg.com.

Sincerely,
The Kellogg Office of Diversity and Inclusion

Q&A with Our President and CEO

John Bryant

Why is diversity and inclusion important to you and to Kellogg Company?

We want a diverse and inclusive workplace because it's the right thing to do. We also see diversity and inclusion as a competitive imperative. An inclusive culture and a diverse workforce that's empowered to contribute to the business means lower recruiting and retention costs, better engagement that leads to increased productivity, better thinking that keeps us innovating, and increased market share due to a better understanding of our customers and consumers.

What is your vision for diversity and inclusion in the workforce at Kellogg?

I want Kellogg to have a workforce that reflects the diversity of the consumers and communities we serve. We aren't there yet, but in the past year we've made tremendous strides.

We've also gotten better at measuring our progress. In 2012, at the most senior levels of the company, we added accountability for diversity results to the annual performance process. Progress is actively discussed within the Board of

Directors and the Executive Diversity and Inclusion Council, which I proudly chair. Driving accountability, especially at senior levels, is making us a stronger company and reinforcing positive culture change.

Diversity and inclusion is a journey – an ongoing commitment and investment. And it's one that is a true enabler of competitive business advantage for Kellogg, so we are going to keep moving forward on this journey.

What is the purpose of the Executive Diversity and Inclusion Council (EDIC), and why do you believe it is important for you as CEO to be directly involved with that group?

The EDIC provides direction and support for the diversity and inclusion efforts that are brought to life by our Kellogg Office of Diversity and Inclusion and others in the company. Along with me, the EDIC currently includes Norma Barnes-Euresti, Margaret Bath, Mark Baynes, Brad Davidson, Lyn Frantz, Mark King, Sammie Long, Paul Norman and Gary Pilnick. A number of other Global Leadership Team members and senior leaders have been on the EDIC at one time or another.

The EDIC was created to serve four primary objectives:

- Provide strategic guidance,
- Drive accountability,
- Advocate for diversity and inclusion and lead by example, and
- Be the diversity and inclusion "conscience" of the organization.

It's the EDIC's job to ensure that leaders companywide understand our diversity and inclusion priorities and our shared accountability for executing against them. This dovetails with our role as advocates – the expectation that EDIC members be visible, active champions of diversity and inclusion. I think I can safely speak for everyone on the EDIC when I say that serving on the Council is among the most enlightening and important work we do as leaders.

You also serve on the board of directors of Catalyst, a nonprofit group that seeks to expand opportunities for women in business. How has that role affected your thinking relating to the inclusion of women at Kellogg?



For years, our company has been proud to support the exceptional work done by Catalyst, and it's a great honor to represent Kellogg as a member of the Catalyst board of directors. The organization's research shows that although women have made great progress in the workplace, they remain significantly underrepresented on the boards and in the executive ranks of Fortune 500 companies. There's clearly a vast opportunity for improvement in this area.

At Kellogg, having an organizational awareness of gender equality issues is one fundamental step toward ensuring gender diversity in the company. We also need to make certain that women at every level and in every area of our global organization have the opportunities, resources and support necessary to reach their full potential. Over the past year, we've promoted several women into senior roles who are already making a positive difference, and I expect to see that trend continue.

Increasingly, Kellogg Company's D&I work includes a focus not only in our own workforce, but on developing products for, and marketing to, specific demographics – particularly the Latino community. Can you talk about this evolution?

To realize our vision – to enrich and delight the world through foods and brands that matter – Kellogg must work hard to listen to and understand the opinions, expectations and needs of our diverse customers and consumers and respond with products and brands they trust and love. And since the demographics of our U.S. market, in particular, are changing, we must change right along with them.

Our Employee Resource Groups and Diversity Councils have played a critical role in keeping us attuned to our changing markets and helping us gain insights important for the business. Take for instance our Latino resource group, ¡HOLA!, which recently partnered with our Sales Learning and Development team to debut a tailored training series to help our sales force better understand the Latino consumer. This is a terrific example of how our workforce is taking the initiative to drive the business forward. Our own employees are helping to improve our cultural intelligence as an organization, which makes us better prepared to grow.

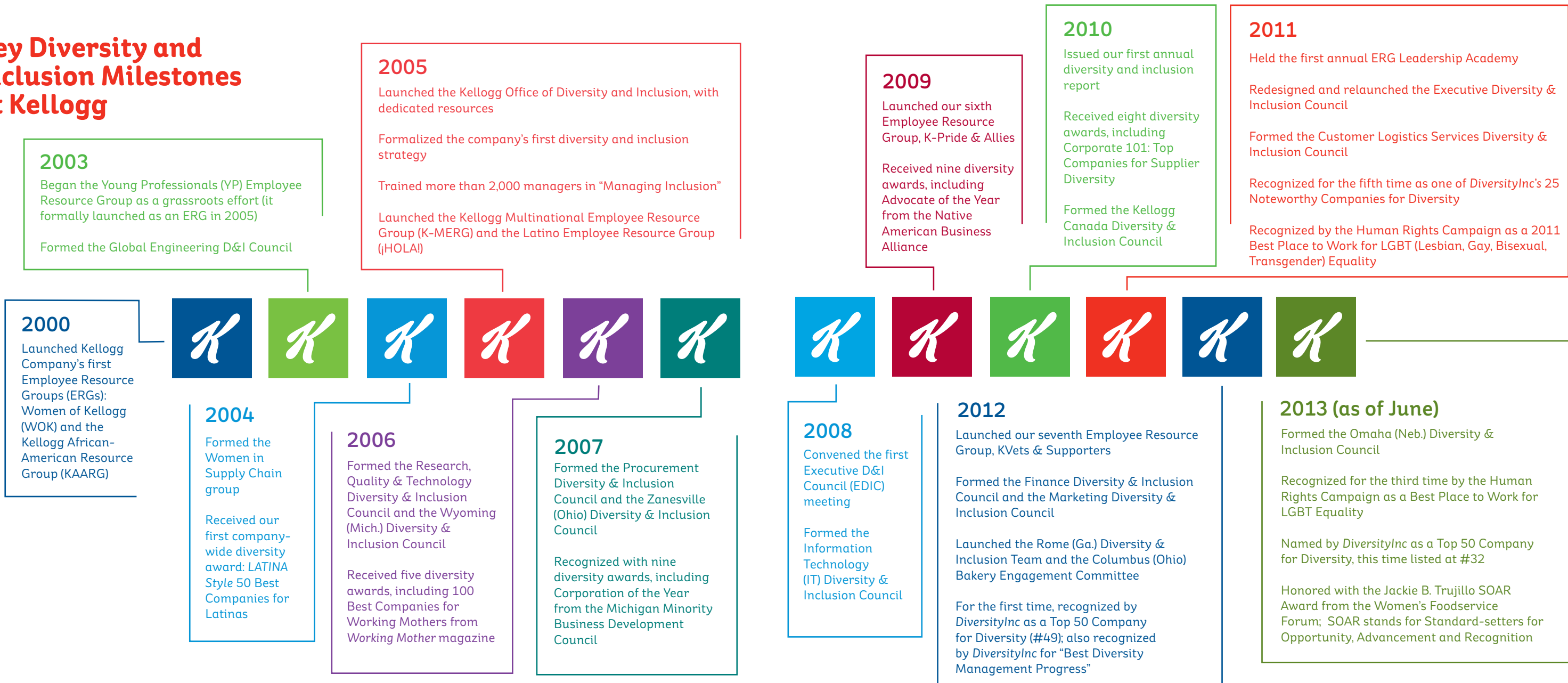
Around the world, Kellogg is forming new bonds with new consumers and being invited to breakfast tables in many different countries. And again, our efforts are being driven by passionate Kellogg employees who lend their valuable insights and experiences to help shape our food flavors and marketing communications. We saw a great example of this recently with a team from South Africa, whose innovative ideas resulted in the creation of Kellogg's® Corn Flakes Porridge. Instead of asking consumers to change their eating behaviors, we are adapting to consumer tastes and preferences. To do this, we need diversity in thought and opinions, which comes from ensuring that our teams are composed of talented and diverse employees.

Any final thoughts?

At Kellogg, our commitment to respect the full diversity of backgrounds, experiences, approaches and ideas is continually reviewed and integrated into our talent process, and is expressed daily through our seven vibrant Employee Resource Groups as well. We are really challenging ourselves to grow our cultural intelligence across the organization. And while we're moving the needle on diversity and inclusion as a company, there's still much to be done to build the most diverse, inclusive Kellogg possible. It will require all of us to be diversity and inclusion champions.



Key Diversity and Inclusion Milestones at Kellogg



Kellogg Company Diversity Snapshot

Kellogg Board of Directors



10 Caucasian
1 Hispanic
1 African-American



U.S. Workforce



69% Caucasian
31% People of Color



Employees who are members of Employee Resource Groups

Global Leadership Team



7 Americans, 4 Europeans,
1 Australian, 1 Canadian,
1 Latin American, 1 Asian

Diversity-Related Philanthropy

85%

of Kellogg Company charitable donations go either to organizations that serve "underserved" populations (e.g., Feeding America, United Way) or to diversity-specific organizations

Supporting Diverse Suppliers

\$380 MILLION

spent in 2012 to purchase from more than 200 first-tier diverse supplier companies

Kellogg Honored for D&I Efforts

Our efforts to create a diverse and inclusive corporate culture at Kellogg Company have been honored by numerous outside organizations. The following recognitions were received in 2012 and early 2013:

- Black Enterprise – “40 Best Companies for Diversity”
- DiversityInc – “Top 50 Companies for Diversity” (see below for more)
- DiversityInc – “Top Companies for Diversity – Management Progress”
- Employer Support of the Guard and Reserve – “Patriot Award”
- Hispanic Business – “Best Companies for Diversity Practices”
- Human Rights Campaign (HRC) – 100% score on the annual Corporate Equality Index
- Women’s Foodservice Forum – “Jackie B. Trujillo SOAR Award” (see below for more)

photo credit: Judy G. Rolfe for HRC



HRC President Chad Griffin and Kellogg Company’s Julie W.¹

Kellogg Moves Up in DiversityInc Ranking

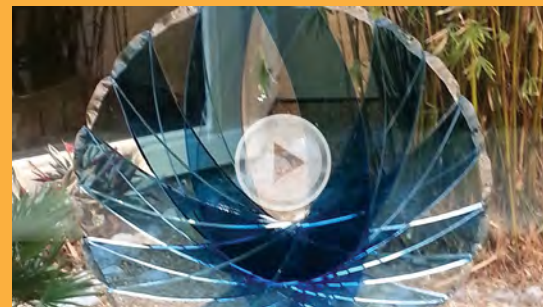
In 2012, we were honored to be listed among DiversityInc’s “Top 50 Companies for Diversity” for the first time. We just made the list that year, coming in at #49. In 2013, we again received the honor of making this prestigious list – this time at #32. In moving us up in the ranking, DiversityInc noted our recent inclusion of diversity metrics among executives’ bonus plan incentives and our growing mentoring program, among other improvements.



Brad Davidson

Kellogg Receives Prestigious Industry Honor

In April 2013, Kellogg was honored with the “Jackie B. Trujillo SOAR Award” during the Women’s Foodservice Forum’s Annual Leadership Development Conference. SOAR stands for Standard-setters for Opportunity, Advancement and Recognition. Established in 2006, the SOAR Award honors companies with a proven track record of attracting, developing, retaining and promoting women to the highest levels of the organization. Brad Davidson, president of Kellogg North America, accepted the SOAR Award on behalf of Kellogg and, in his remarks, reinforced our company’s commitment to gender diversity and inclusion, along with the importance of building a pipeline of multicultural talent that mirrors the diversity of our consumers.



¹ Throughout this report, we use first names and last initials only for our non-executive employees, to protect their privacy.

Kellogg Employees Make a Difference in Their Communities

W.K. Kellogg Values Awards are the highest honor an employee in our company can earn. The awards reinforce our K Values™ and our efforts to build an inclusive culture. Every year since 2010, we have given special W.K. Kellogg Values Awards to employees who model outstanding diversity and inclusion behaviors. Our 2012 winners were Chris D. and Dennis F.



Chris D., District Manager, Boston

Chris partnered with a local high school to develop a mentoring program with Kellogg Company employees. Through this program, the school’s diverse students develop skill sets for future careers and learn about Kellogg, while our employees who serve as mentors grow to become better leaders.



Dennis F., Team Lead, Sales, Memphis

When our Sales leaders recognized that recruiting and retaining diverse employees in the Memphis area was proving to be a challenge, Dennis volunteered to take the lead in creating a more inclusive environment. He first helped to launch a new chapter of our Kellogg African-American Resource Group (KAARG). He then partnered with a nearby college and invited students to attend a KAARG event where they could network with Kellogg employees. Dennis has also represented Kellogg at career fairs and participated in a mock interview workshop for students.

Making Kellogg the Employer of Choice for Recent Grads

At Kellogg, we know that talent has no demographic boundaries. That's why it's important that every hiring manager have access to a diverse slate of candidates for every open position.

Our University Relations department helps to ensure that we reach diverse candidates for our entry-level salaried positions. "University Relations is responsible for on-campus recruiting and our internship program," said Shaughn C., who works in the department. "And diversity is definitely a focus for us in our on-campus hiring. We want students of all backgrounds to see us as the employer of choice."

University Relations seeks to accomplish this in several ways. To begin, they recruit from universities with diverse student populations. And, they work closely with diverse organizations on those campuses.

"Recently I took a group of Kellogg employees from our Information Technology department to visit the University of Illinois," Shaughn said, by way of example. "They met with two campus groups: Latinos in Computer Science and Women in Computer Science. Making those kinds of connections is a great way to ensure that we get access to diverse potential hires."

The department is also increasingly involving Kellogg Company's Employee Resource Groups (ERGs) in recruiting. "More and more, we are looking to bring students to Kellogg to meet with our ERG members, and to take ERG members to campuses," Shaughn said.

In addition, Kellogg representatives attend career fairs that focus on diverse populations. In the past year, for instance, we have had booths at the career conferences of the National Society for Black Engineers, the Society for Women Engineers, the National Black MBA Association, the National Society for Hispanic MBAs and Reaching Out MBA.



ERGs Important for Recruiting

"Having been with Kellogg for a little more than a year, I can reflect on a few main reasons why I joined Kellogg. Of those, the commitment to diversity was very important. At my previous company I was very involved in their group for lesbian, gay, bisexual and transgender (LGBT) employees. It gave me a sense of pride working there. So before I joined Kellogg, I checked to see if they had an LGBT Employee Resource Group. If they hadn't, I really would have thought twice about taking the job. I was thrilled to learn about K-Pride & Allies, and one of the first things I did upon joining the company was to meet with a K-Pride member."

Adam M.
Senior Manager
Global Talent and Organization Development

D&I Training Pushes Managers to Be Better Leaders

"Leadership starts first with knowledge. It's critical that you learn and continue to advance your learning journey. Without that as your basis, your success in business will be limited."

So says Brad Cashaw, senior vice president of supply chain snacks at Kellogg. He was referring to the connection between professional development and success generally. But the wisdom of his words applies to all kinds of learning and aligns well with the reasoning behind our diversity and inclusion training courses here at Kellogg.

We offer several types of diversity courses – one web-based and the rest taught in person. All of them aim to foster learning about diversity-related issues and coach employees on how to put inclusion into practice.

Our half-day Knowledge Map course, for example, covers the basics of diversity and inclusion in the workforce, such as how it can be leveraged to help meet business objectives. In another example, our full-day Cultural Dexterity program teaches participants to recognize the elements of culture and how to address the dynamics of intercultural work.

Our newest program is Inclusive Leadership. The first session of this course was held in early 2013 at our Battle Creek headquarters. People managers from all functions and levels – and from all over the U.S. – attended the session.

"It didn't feel like a 'D&I training' per se," said Courtney S., operations manager at our manufacturing plant in Charlotte, North Carolina. "It felt like leadership training, with an emphasis on how to manage a diverse workforce. I was pleasantly surprised by that, and I found it to be a very valuable experience."

Dennis H., senior brand manager for Keebler, also found it helpful. "I've recently started managing people, and I found this course to be a very useful mix of structured activities and open and honest dialogue about challenges and solutions."

For example, participants discussed how to give feedback to their direct reports – in particular, how to address the (perhaps subconscious) challenge of giving tough feedback to someone who is different from them, for fear of offending. "This can happen when the manager and employee are different races, ages or genders," Dennis said. "For instance, a male manager might not give as direct feedback to a female employee as he would to a male employee. But in holding back, he's really doing a disservice. Receiving direct feedback is often how we learn and grow."

Courtney described another activity in which the trainers showed participants photos of people from all walks of life – different ages and races, wearing different styles of clothes, and so forth. Participants were asked to rate who they would most want to spend time with. Then the trainers shared a "back story" for each person, and participants were asked to rate them again.

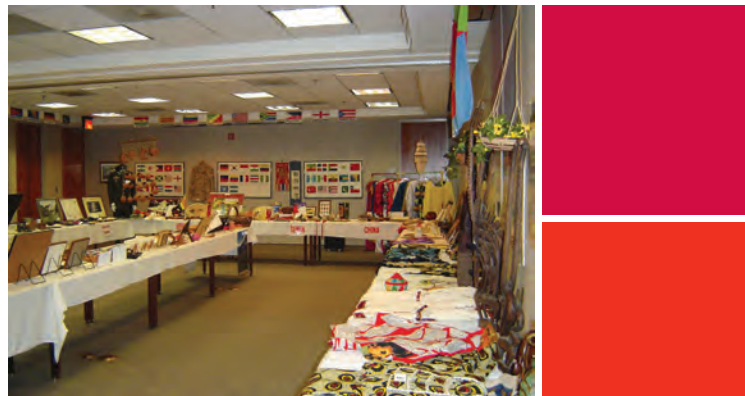
"The lesson there," Courtney said, "was that instead of judging a book by its cover, you really should read the book. Our perceptions of the people in the photos really changed once we learned things about them."

Overall, Dennis said, the Inclusive Leadership course offered a safe forum in which to learn new concepts and practice new skills. "I found the time to be very well spent," he said, "and I think others did as well."



Spotlight on: Diversity and Inclusion in Our Plants

The data on pages 5 and 6 of this publication provide a summary of Kellogg Company's diversity among our entire U.S. workforce. But those statistics obscure the fact that each of our individual locations is different; each has its own unique diversity makeup (often mirroring the community in which the site is located), as well as its own diversity and inclusion initiatives and activities. This section, which takes a closer look at diversity in a few of our manufacturing plants, highlights the individual nature of each site's diversity story.



“We Want Every Person to Bring Their ‘Whole Self’ to Work Every Day”

Brenda M.
Human Resources Manager
Cary, North Carolina, Plant

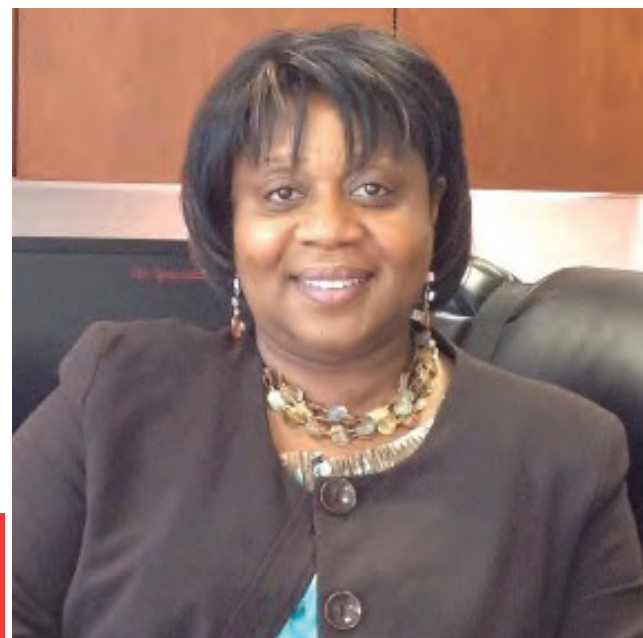
“We have a very diverse workforce here at the Kellogg bakery in Cary, North Carolina. If you look at the cultural backgrounds of our employees, more than 45 countries are represented. In our conference room, we display a small flag for each one of those countries. In addition, some 30 to 35 percent of employees are not native English speakers.

Almost 10 years ago, one of our employee relations managers (Tonya G.), along with a Diversity Committee that she formed, organized our first plant Diversity Day, to help celebrate this amazing diversity we have.

Diversity Day started pretty small, but over the years it has grown into something really extraordinary. For the past two years, it has been like a carnival. We close the bakery down on a Saturday in the fall, invite all employees and their families, set up games for the kids and provide an assortment of ethnic food from local restaurants.

The big draws are the talent show and the fashion show. For the talent show, employees take turns performing music, dance and other talents from their cultures. For the fashion show, employees walk a catwalk dressed in traditional garb from their countries. People love it! It's a lot of fun. And one of the best parts is, at the end of the fashion show someone walks out carrying the American flag, and everyone cheers! It's awesome, really.

Diversity Day is an amazing thing because it allows everyone to share in the joy and pride of who they are and where they are from. We want every person to bring their 'whole self' to work every day, and Diversity Day is just one of the ways we try to create a safe, comfortable environment for them to do that. It brings us all closer together, and helps create respect for all cultures.”



Brenda M.



Andrew S. and Michael C.

“I’m So Amazed and Impressed that So Many People Stand Behind Us”

Michael C.
Quality Assurance Technician
Rome, Georgia, Plant

“I've been working at the Kellogg plant in Rome, Georgia, for about five years. Last year, I learned that Kellogg had an Employee Resource Group for LGBT (lesbian, gay, bisexual and transgender) people – K-Pride & Allies. I knew I wanted to join, as did one of my co-workers, so we signed up right away.

One of the benefits of joining was that we got a nice polo-style shirt with the K-Pride & Allies logo on it. We can wear anything to work so long as it has a Kellogg logo, so soon after joining, my co-worker and I decided to wear our new shirts to work one day.

The day we wore them, we discovered that not everyone was as excited about our joining the group as we were. I can't say I was surprised by this. We are located in a conservative, rural area of the South. Some of my own family members don't even support me because I'm gay.

Anyway, a couple people complained to Human Resources (HR) about our wearing the shirts, and then there was a bit of an argument about the issue among several employees in a break room.

Fortunately, HR made it clear that we were allowed to wear the shirts and were not to be harassed about it. Also, much to my surprise, at least five people very quickly came to our defense in the break room argument.

What happened after that was actually pretty amazing. I talked to one of the women who stood up for us in the break room, and she said she wanted to join K-Pride & Allies as a show of support. So I printed out an application for her. Word of what she did spread quickly, and after that people started coming out of the woodwork to talk to me, all wanting to sign up for the group.

People don't often talk about their personal lives at work, but that day I heard so many people's stories – 'my daughter's lesbian,' 'my cousin's gay,' 'I want to show that I'm an ally,' etc. By the end of the day, I had printed out applications for 85 people. Then I had a couple days off work, and when I came back I was overwhelmed with even more requests.

At this point, we are up to about 180 members of K-Pride & Allies at the Rome plant, and I still get a new application every few days. From what I know, only eight of us are actually LGBT.

I'm so amazed and impressed that so many people stand behind us. It has made me even more proud to work for Kellogg than before.

And personally it's important to me, because of some of the discrimination I've faced outside the workplace. That's why it's essential that we have these kinds of groups and be supportive of each other at work. You have no idea what people might be facing at home.”



Nancy G.

“Leadership Has to Be Purposeful about Diversity”

Nancy G.
Plant Director
Pringles Plant, Jackson, Tennessee

“I’m the manager of the Pringles plant in Jackson, Tennessee, which is new to the Kellogg family. It’s become clear to me over the course of my career that leadership has to be purposeful about diversity. If there is not a concerted effort to look at, talk about and drive better diversity, it will not happen.

We do this in several ways at our plant. Every time my leadership team looks at management succession planning, for example, we make sure to consider the gender and racial balance. Also, we have two diversity-related groups – the Jackson Women’s Network Team and the Black Managers Leadership Team. Those organizations play an important role in terms of networking opportunities and support. Also, all new employees must go through a diversity training course soon after they are hired, to help build awareness of diversity and inclusion issues.

We also have action plans in place to ensure that we get more women involved in leadership. One thing I do, in particular, is to look for people who are particularly supportive of women moving up the ranks, and I build action plans with them in mind. Because it’s never an issue of a lack of female talent. There are always capable women in the plant. It’s often just about having the necessary support from their managers to help them prepare to take that next step up the ladder.

I found this to be true in my own experience, especially as I moved up in the management ranks. I have worked in manufacturing for 30 years, and much of the time I could get from point A to point B on the career ladder simply by doing a good job and forging strong relationships with those around me. But to get to the higher levels in the plant, I had to have someone above me advocating for me.

At one point in my career (before joining Pringles) I was asked to move my family to Auburn, Maine, to work in a plant there. Here I am, an African-American woman from the South, considering a move to Maine, which is predominantly white (not to mention cold). Before saying yes, I had to make sure it was a good step for me – that it would help me achieve my longer-term goals. So I talked to someone in my chain of command, a couple of levels up, and he agreed to be an informal sponsor – to keep an eye out for me and make sure I would continue to progress. So we moved to Maine, and this sponsor called me every three months to see how I was doing, and he spoke up for me within the company when necessary. Within a year, I was promoted to the next level of responsibility. So to succeed, you have to be good at what you do, but you also often need someone above you looking out for you and advocating for you.

I’m very happy that Pringles is now part of the Kellogg family. It’s been a great experience so far, and I’m really looking forward to a great future for our plant in this company.”



Kellogg Plant in Utah Celebrates Cinco de Mayo

Historically, the state of Utah has not been known for its extensive ethnic diversity. But like the rest of the United States, it has grown more diverse in recent years. Our frozen foods plant in Clearfield, Utah, reflects this growing diversity in its employee base, with more than one-third of employees identifying as nonwhite.

For the past five years, to recognize and honor this diversity, the plant has held an annual celebration coinciding with Cinco de Mayo. The centerpiece of the event is a contest among teams of employees to see who can make the best salsa or other kind of dip.

“It started out as a ‘best salsa’ contest,” explained Kathy B., human resources generalist at the plant. “But it has grown to include all kinds of chip-and-dip recipes, and the flavors reflect the broad range of nationalities we have in the plant.”

The event has proven consistently popular with employees. “It brings all of our cultures together to participate and unite in a celebration,” said Kathy. “And our employees love it. Every year we organize other diversity-related activities as well, but our employees insist we keep the Cinco de Mayo celebration too!”

Belleville Snacks Employees Educate Festival-Goers about Value of Diversity

In July 2013, Kellogg Canada’s Belleville snacks plant sponsored a “diversity and inclusion information tent” at the Belleville Waterfront and Ethnic Festival. The tent was staffed with employees from the Belleville plant, as well as individuals from partner organizations such as the Canadian National Institute for the Blind, the Military Family Resource Centre and many others.

“We were thrilled to have this opportunity to provide information and education to Festival visitors on the advantages of diversity in the workplace,” said Claude B., manager of human resources at Kellogg. “The purpose was to educate people about the value of equitable inclusion and of exposure to diversity. And, to make people aware that diversity is broad and inclusive – it refers to diversity of age, race, religion, gender, gender identification, thought, ancestry, disability and more.”

The four-day Festival attracted 30,000–50,000 people. The Kellogg tent was prominently located near the Festival’s “ethnic village” and the main performance stage.



“A Diverse and Inclusive Workforce Enables Broader Thinking”

Carol Stewart
President
Kellogg Canada

“In Canada – as in the U.S. – diversity is a business imperative. We recognize the need to hire and retain people with diverse backgrounds in order to best meet the needs of our diverse consumers. In addition, much of the real value of diversity, in my opinion, is diversity of thinking across all levels of the organization. A diverse and inclusive workforce enables – forces, even – broader thinking, which keeps an organization from getting too insular and narrow in its perspective.

Kellogg Canada has taken several steps to promote diversity and inclusion internally, beginning with the launch of our D&I Council in 2010. The Council has had a lot of success driving awareness of diversity and leading D&I practices in our business. For instance, they organize celebrations for things like Diwali Day, Pride Week, a Caribbean carnival festival, Black History Month, and so forth. These celebrations help our employees to be aware of, and honor, different traditions. The Council also hosts outside speakers and organizes networking events, among other activities. In 2011, they won a W.K. Kellogg Values Award for their efforts.

Also, 2013 marks Kellogg Canada's inaugural year of supporting the Network of Executive Women (NEW), an organization focused on promoting the advancement of women in the retail and consumer products industry.

I was one of four people on a NEW panel recently that discussed women in the workforce. The panel had a thought-provoking discussion about the complex barriers hampering women's advancement into leadership roles, including bias toward women's abilities and lack of access to networking and mentoring opportunities, among other findings. One key learning was that most companies have no problem attracting women to their workforce. (Kellogg Canada, for instance, is about 50 percent women.) However, despite the strong business case for women in leadership, the number of women holding influential positions has stagnated. We also learned that women currently account for less than 10 percent of CEOs in the retail, food and accommodation industry.

Part of the challenge is that many senior leadership positions, particularly in functions such as sales and operations, which are pipelines for future CEOs, can be all-consuming, requiring a lot of travel and even relocation. Juggling a demanding career and family can make it difficult for women who also have a fair amount of responsibility at home. In other cases, it might not make economic sense for a woman to relocate the family for her job, for a variety of reasons.

For our part as employers, we need to strive for a workforce that reflects the diversity of the consumers and communities we serve. We also need to foster diversity of thought by ensuring that we value all individuals for their varied backgrounds, experiences, approaches and ideas. And, lastly, we need to continue to develop workplace programs to reflect the diverse needs of our employees.”



Carol Stewart

“Our Leadership Team Is 50 Percent Women”

Michelle B.
Human Resources Director
Kellogg Australia/New Zealand

“In our Kellogg Australia/New Zealand business, we strongly believe in diversity and inclusion as important to achieving an entrepreneurial workforce. With gender diversity specifically, we have endeavored to create an environment where women can feel confident to unlock their potential.

For example, our 10-member leadership team is 50 percent women. And at the senior management level and above, our workforce is 45 percent women. At our smaller manufacturing plant, almost 50 percent of all employees are women.

We don't have targets for female employment, as such. But we do think about gender diversity and equal opportunity when we make plans for recruiting, and we ensure that at least one woman is on the candidate lists when hiring for open positions.”



Michelle B.





Members of the Latino Employee Resource Group (¡HOLA!) Help Develop Training Course

“Understanding Hispanic and Latino Consumers.” That’s the title of a new online training module for our U.S. sales force.

The course was the brainchild of an ¡HOLA! chapter leader in Florida; the company’s Sales Learning and Development team brought it to fruition in 2012 with help from ¡HOLA! members. The purpose of the course is to help our sales force gain a better understanding of Latino culture, to enable the company to make further strides in the marketplace with this demographic.

¡HOLA! members in Michigan, Illinois and Florida took the course developer on tours of Hispanic grocery stores and took part in discussions about the terms Latino and Hispanic, the differences between the various subgroups in this demographic, and how culture and faith can shape a Latino’s eating habits, among other things.

Though the course was developed with the sales team in mind, it is now available to all Kellogg employees.



Member Perspective

“I’m a member of ¡HOLA! because I believe in the organization’s mission and vision, and I know the work ¡HOLA! does in the Chicago area contributes to our company’s success. Employee Resource Groups like ¡HOLA! bring great benefits to the company through activities that directly promote business development as well as talent acquisition and retention. And of course, they also help to support diversity and inclusion within the workforce.”

Personally, membership in ¡HOLA! has helped me in terms of professional development, leadership skills (I’m now a chapter co-chair) and networking. Also, I’ve been able to gain unique insights into Kellogg Company’s business objectives through the multiple projects that ¡HOLA! has been a part of.

I would highly recommend that both new and long-time Kellogg employees actively participate in their local ¡HOLA! chapter.”

Arturo M.
Retail Sales Rep, Kellogg U.S. Sales



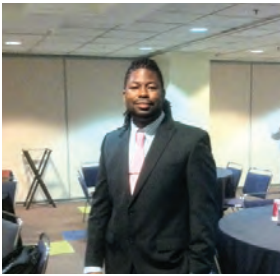


Kellogg African-American Resource Group (KAARG) Hosts Discussion on “Micro-Messaging”

In September 2012, KAARG hosted a seminar in Memphis, Tennessee, on “micro-messaging” – those unspoken messages we all transmit through our body language, tone of voice and facial expressions. Keynote speaker George Robinson, President of consulting firm The Robinson Group, shared that awareness of the micro-messages we are sending is essential for driving culture change and ensuring diversity and inclusion in the workplace. In particular, the micro-messages we send can affect the way we interact with customers, employees and potential hires.

More than 150 Kellogg Company employees attended the seminar, including employees from the nearby Pringles plant, regional sales employees and team leaders, senior leaders from our Battle Creek headquarters, and employees from our frozen foods business, warehouses and direct store delivery functions. In addition, nearly 20 students from Lemoyne-Owens College attended and engaged with KAARG members and the other Kellogg employees before and after the keynote address.

Member Perspective



“KAARG gives me so many opportunities for growth, particularly through working on projects outside of my job description. By working on KAARG projects I have gained knowledge beyond my current role and have networked with a wide variety of individuals from other departments within Kellogg. For example, I’ve discussed business ideas with senior executives at roundtable discussions, and I’ve gained experience planning and executing various initiatives and being a key contact for KARRG in my region.”

One great outcome of a KAARG event was that I gained a co-worker! I organized and led a career fair in Atlanta, where KAARG’s goal was to promote Kellogg as an employer of choice. At the event, we interviewed and discussed Kellogg opportunities with students from Historically Black Colleges. We found one great candidate who was ultimately hired to join the Atlanta sales team. She said she would not be at Kellogg if it wasn’t for KAARG being present at that career fair, discussing how great KAARG is, and how dedicated Kellogg is to diversity and inclusion. Seeing my co-worker in team meetings reminds me that KAARG makes a difference and is helping grow the talent pipeline at Kellogg.”

Marque C.
Retail Sales Representative
Direct Store Delivery

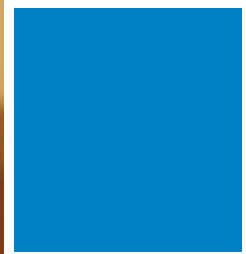




Kellogg Multinational Employee Resource Group (K-MERG) Hosts "Weddings Around the World"

K-MERG sponsors two "lunch and learns" each year, and in 2012 one of them was titled "Weddings Around the World." The purpose of this event was to contribute to employees' cultural intelligence and awareness and give our members an opportunity to share information and stories about their home countries. K-MERG members believe that enhancing cultural competency with events like these can help people to be better leaders and managers and can contribute to an inclusive corporate culture.

At this particular "lunch and learn," K-MERG members gave presentations describing wedding customs in eight countries: China, Germany, India, Israel, Lebanon, Mexico, Nigeria and the United States. The presentations included information on wedding traditions, food, dress and so forth. The event was held on our Battle Creek, Mich., campus, and nearly 100 people attended. The feedback was overwhelmingly positive, and we hope to do it again in the future with a new selection of countries.



Member Perspective



"I've been at Kellogg Company for more than seven years now, but I still recall that my first three months with the company were challenging. I felt a bit lonely, and I had a hard time adjusting. So, when I learned about K-MERG from another employee, I joined right away. Being a member has made me feel comfortable, accepted and welcomed. And it made me realize that being different is okay and even wonderful. Plus, I have met so many great people from different parts of the world."

There are numerous things I've gained from being a member of K-MERG. For instance, I've learned about other cultures and customs through presentations by K-MERG members. I've become a better employee through professional development workshops offered throughout the year. And I've gotten to know other members and their families through networking lunches and family fun events.

Being part of K-MERG has been a great experience, and I would encourage other employees to join."

Ahuva S.
Senior Scientist
Nutrition Labeling and
Regulatory Compliance



K-Pride & Allies Members Work to Stomp Out Bullying

In the United States, one in every four high school students is a victim of bullying, and that number is dramatically higher for lesbian, gay, bisexual and transgender (LGBT) youth. To help raise awareness of this issue and work to stop it, our K-Pride & Allies Employee Resource Group, in collaboration with all the company's ERGs, partnered with a national organization called Stomp Out Bullying to sponsor activities during National Bullying Prevention Month in October.

Throughout the month, K-Pride & Allies members (and other ERG members) at four Kellogg locations – Battle Creek (Mich.), Elmhurst (Ill.), Oakbrook (Ill.) and La Jolla (Calif.) – wore T-shirts and bracelets with the message “No matter what ... no one deserves to be bullied.” In addition, members spoke at local schools and distributed more than 5,000 bracelets to students in the Battle Creek/Kalamazoo area alone.

Krysten Moore, a representative from Stomp Out Bullying, spoke to more than 200 employees at our Battle Creek headquarters about her experience being bullied and discussed how to recognize and address bullying.



06-09-2012



Member Perspective



“Do you know how impressive it is that Kellogg Company has an ERG for LGBT people and allies? Some employers won't even recognize our existence, let alone support inclusivity and acceptance. I joined K-Pride & Allies my first or second day on the job. I read that Kellogg President and CEO John Bryant had said, 'Fostering diversity is critical to achieve our vision.' I believe that 100 percent, and so does the organization. When people can be 'their whole selves' at work, they can flourish and achieve their greatest potential. And to compete in this rapidly evolving market, we need everyone to be at their best.

K-Pride & Allies is doing such good work. I have been working in plants for 25-plus years and have been an 'out' lesbian for 16 years. It has not been easy – you learn to live with the 'otherness' – but it is getting better. The commitment of Kellogg to diversity and the hard work of K-Pride & Allies makes all the difference. I am a member of this ERG not just for me, but for the allies who empathize and for the young people entering the workforce. And at a certain stage in life, encouraging acceptance and diversity for the next generation really is a benefit in itself.”

Jeannene S.
Plant Manager III
Zanesville, Ohio, Plant





KVets & Supporters Assists Recruiting Team with Hiring Veterans

In March 2013, our newest ERG – KVets & Supporters – held a training session with Kellogg Company's Recruiting team in Battle Creek, Mich., to discuss the hiring of military veterans. The entire Recruiting office took part in the session, as did several KVets members and representatives from external veterans groups.

The purpose of the session was to help educate the Recruiting team about veterans and their potential career paths once they've left the military. We heard testimonials from the veteran representatives about their transition experiences, and they explained that many veterans may need assistance understanding how their military experience and skills can translate into a civilian job. Another key part of the training was to help the Recruiting team learn how to review veterans' resumes – to better understand military jargon and identify the abilities veterans may have based on their military jobs.



Member Perspective



"I have been a member of KVets & Supporters since its inception in August 2012. By working on different projects with this ERG, I have taken a deeper look at my own family's military history and have a greater appreciation for their commitments, sacrifices and service to our country.

One project I supported on behalf of KVets & Supporters is Honor Flight. Honor Flight arranges free trips for older veterans to Washington, DC, to visit war memorials. Through this project, I have met with many local veterans from multiple conflicts. They have been gracious, engaging, insightful and a true pleasure to work with. When giving presentations, some have had a hard time containing their emotions. Seeing a rough-and-tough veteran wiping away tears is very humbling and illustrates the impact that their wartime experiences have had on their lives. The warmth and gratitude they display when thanking me for working on this project have been overwhelming at times. It has been a pleasure and honor coordinating this effort, and it wouldn't have happened without KVets."

Bobbie B.
Coordinator
Snacks Customer Marketing





Women of Kellogg (WOK) Hosts Webinar on Personal Branding

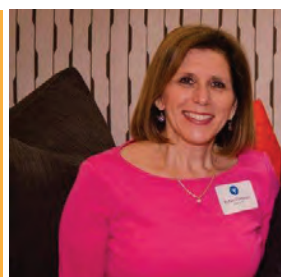
In September 2012, WOK hosted a webinar called "Creating a Strong Personal Brand." This skill-building session introduced the concept of "personal branding" and gave tips on how to create your own brand. The content for the webinar was developed by Cheri O. of the WOK leadership team.

Personal branding is a skill that our members expressed interest in via membership surveys. WOK leaders wanted to provide an opportunity for members to take the time to think about their own unique personal brands and how best to represent themselves to reach their full potential and success. This skill also aligned with WOK's mission of empowering and encouraging everyone to "develop and use their unique abilities, insights and talents to play a critical role in the success of women at Kellogg."

Approximately 200 people participated in the webinar, which received very positive post-event reviews.



Member Perspective



"I've been with Kellogg for almost 15 years and have been a member of the Women of Kellogg ERG for three years. WOK provides me with an opportunity to volunteer, contribute to the organization and better understand issues, challenges and obstacles that women are facing and addressing. Being involved in WOK has allowed me to interact with talented Kellogg women from other functional areas of our company, and from all different levels of the organization, who I would not otherwise have had the opportunity to meet. Membership has also provided me with an opportunity to mentor others and to take part in personal and professional development programs.

I have had a very positive experience with WOK, and I would encourage others to get involved in WOK or our other ERGs, because it's so true that 'the more you give, the more you get back.'"

Robin F.
Director, Distributor Development
Kellogg's Specialty Channels





Young Professionals (YP) Cincinnati Branch Sponsors Career Event

In September 2012, the Cincinnati, Ohio, branch of the Young Professionals Employee Resource Group sponsored an event called "Owning Your Career." At the event, approximately 40 YP members came together to network with and learn from senior Kellogg leaders from the region and Kellogg's Battle Creek, Mich., headquarters. The executives in attendance described their own career paths and shared tips for career success. Afterward, the group networked over dinner and attended a professional baseball game together.

The purpose of the event was to roll out the Human Resource department's "career development/mapping guides" in the Cincinnati office. The YP group felt the event would be a good way to highlight multiple examples of successful career paths within the organization as well as introduce members to Kellogg leaders in an informal setting.

Member Perspective



"I have been a member of Young Professionals for six years now. When I joined, I was fairly new to the company and didn't know many people outside of my direct team. So, one of the benefits of membership, for me, has definitely been that the group has connected me with many areas of the business outside of IT, through friendships with other members. Being a co-chair and having a technical background, I've also gained useful experience in managing membership and communications for multiple branches of YP around the country."

From the beginning, I have felt it was important to be a member of YP to represent the younger generation, to ensure that the ideas young people bring to Kellogg are heard and considered. I have seen through the years how Kellogg is looking to YP more for the future of the company and its younger generations to come. It's an exciting time."

Kyle B.
Analyst II
Workplace Solutions



Diversity and Inclusion Councils Drive Progress Across the Company

Our Employee Resource Groups (ERGs) are not the only organizations at Kellogg Company focused directly on diversity. We also have numerous Diversity and Inclusion Councils. And while some of these Councils may have a lower profile than the ERGs, they are no less important.

While the ERGs are organized around specific demographic groups and are active throughout our U.S. operations, Diversity and Inclusion Councils typically focus on D&I topics and opportunities within a specific geographic location, function or business unit. Each Council has its own mission statement, but their general purpose is to attract, develop and retain diverse employees and ensure an inclusive environment within the company.

For instance, our Customer Logistics Services department has an active D&I Council, as does our Global Engineering function, our Information Technology group and our entire Canadian business, among others. We also have a group called Women in Supply Chain that focuses on developing the business skills of women in our manufacturing operations.

“Many of our plants also have Diversity and Inclusion Councils,” said Carol L., senior diversity and inclusion business partner at Kellogg. “These groups may go by a different name, such as ‘engagement committee.’ No matter what they are called, the point is to help make the work environment more diverse, engaged and inclusive.”

Executive Diversity and Inclusion Council

Kellogg also has a D&I Council made up of many of our most senior leaders. Called the Executive Diversity and Inclusion Council (EDIC), this 10-member, cross-functional group is chaired by President and CEO John Bryant.

“The EDIC sets strategic guidance on diversity and inclusion for the company,” explained Sammie Long, senior vice president of global human resources at Kellogg and an EDIC member. “We advocate for D&I within the business and look for how D&I strategies and actions can help the company achieve its vision and purpose.”

New for 2013, representatives from each of the ERGs now attend a segment of each EDIC meeting, to foster two-way dialogue about D&I topics and opportunities across the business.



Latino Engagement Council

In late 2012, Kellogg Company formed a new group called the Latino Engagement Council. Separate from our Latino ERG, the Latino Engagement Council has brought together individuals from an array of functions – Marketing, Sales, Human Resources, Supplier Diversity, etc. – to provide visibility and alignment for better engaging with Latinos in the workplace, the marketplace and the communities in which we operate.

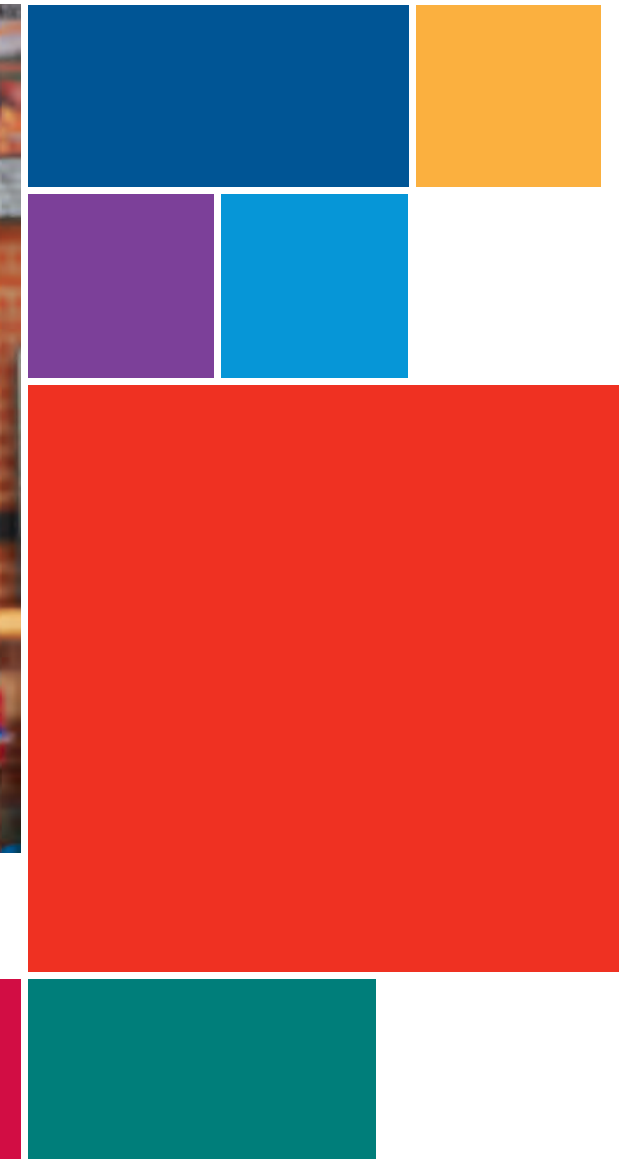
“I see these three pillars – workplace, marketplace and community – as three interlocking circles,” said Council Chair Christopher R., associate director of multicultural brand marketing at Kellogg. “Each one is related to the other. And while so many good things are going on throughout the company in all these areas, we are trying to look at them all holistically, identify any possible gaps, and strategically leverage and develop synergies.”

The Latino Engagement Council meets monthly and operates through three subcommittees, one for each pillar area.

“It’s been great to see so much support for this Council from all areas of the business,” said Krisana R., senior network analyst at Kellogg and a Council member. “We’re just getting started, but already I think it will really make a difference in terms of helping us be more effective connecting with Latinos both inside and outside the company.”



Krisana R.





Tanisha S., Darryl Riley and Kris Charles at an Executive Leadership Council event



Karen F. and Donna A. at a Network of Executive Women event

Employees – and the Company – Reap the Benefits of External Engagement

Kellogg Company engages with numerous organizations that seek to promote diversity and inclusion. Our employees who interact with these organizations have found that such engagement is beneficial for their personal and professional development as well as for Kellogg Company directly.

Donna A., senior manager of contract sales at Kellogg, has been active in the Network of Executive Women (NEW) for several years. Kellogg is a national title sponsor of NEW, which seeks to promote the retention and advancement of women in the retail and consumer products industry. “NEW provides tremendous opportunities for members’ personal and professional development and for building a professional network,” said Donna. “The relationships we create within NEW, and the development opportunities we take part in, strengthen our ability to do our jobs.”

“At the same time,” she continued, “being a NEW sponsor is great exposure for Kellogg. It proves to Wall Street and our industry that we value women in the workplace, and it gives us a competitive edge in terms of attracting and retaining the right talent.” In 2009, Donna was honored with an award from the organization for her volunteer service.

Darryl Riley, vice president of international R&D at Kellogg, is a member of the Executive Leadership Council (ELC), an organization of senior African-American executives. He said the biggest value to him of membership is the opportunity to “sell” Kellogg. “The ELC is a networking organization, to be sure,” he said, “and it’s great to meet and get to know other senior African-American leaders. But when I introduce myself in front of the group, I talk about how Kellogg produces the world’s best cereal, and I talk about our new products and our commitment to innovation and so forth. I use my membership there to make business connections that will benefit Kellogg in the long term.”

Noel H., senior diversity and inclusion business partner at Kellogg, has recently become involved with the Hispanic Professional Network, a Chicago-based organization known as HispanicPro, for short. HispanicPro works to connect Latino professionals via social media and face-to-face networking events. “Being involved with HispanicPro is a great way for us to get out in the community and meet prospective Latino employees,” said Noel. “I think it will be very beneficial in terms of recruiting. It is also just good for us to get the Kellogg name out there as an active and supportive member of the community.”

Debra Q., manager of supplier diversity at Kellogg, is involved with a wide array of organizations that seek to promote diverse suppliers, regionally and nationally. For example, she serves on the board of the Women’s Business Enterprise Council, the steering committee of the Ohio River Valley Women’s Business Council, and the board of the West Michigan Hispanic Chamber of Commerce, among others. Although these memberships relate directly to Debra’s job, they are volunteer positions and not part of her official job description. In 2012, Debra was named “volunteer of the year” by the Great Lakes chapter of the Women’s Business Enterprise Council. In her engagement with these groups, Debra often works to educate small businesses about how they can do business with Kellogg – about what the company is looking for and how to achieve “diverse supplier” designation.

“Kellogg is a familiar and beloved brand,” Debra explained. “I want to ensure that everyone feels they have a fair shot at doing business with us. And I want to make sure we truly have a supply base that mirrors our consumers and our employers. That is the ultimate goal.”

Kellogg’s Corporate Citizenship Fund Supports Diversity through Grant-Making

One way we support diversity and inclusion in the community is through philanthropic donations to nonprofit organizations. The funding for these donations typically comes from Kellogg’s Corporate Citizenship Fund, the charitable arm of Kellogg, and goes toward programs that expand opportunities for people of diverse backgrounds. In 2012, the Fund provided grants to the following organizations:

- Casa Central, a social services agency focused on improving the lives of Latinos in the Midwest
- National Council of La Raza, the largest Hispanic civil rights and advocacy organization in the United States
- National Urban League, a civil rights organization dedicated to elevating the standard of living in historically underserved urban communities
- Organization of Chinese Americans, a national group dedicated to advancing the social, political and economic well-being of Asian Pacific Americans
- Parents, Families and Friends of Lesbians and Gays (PFLAG), a nonprofit group promoting the health and well-being of lesbian, gay, bisexual and transgender persons and their families and friends, through support, education and advocacy
- Wounded Warrior Project, a nonprofit providing services to injured service members as they transition to civilian life

In addition, we gave \$75,000 to the National Association for the Advancement of Colored People (NAACP) for the tenth Kellogg’s NAACP Law Fellows Program.

Kellogg Honors Members of Local Army Reserve Battalion

In May 2013, Kellogg hosted a special “Dining Out” event at our Battle Creek headquarters to celebrate members of the 1-334th Battalion of the United States Army Reserve. Dining Out is a formal military ceremony that includes dinner, drinks and other traditions to foster camaraderie and morale. Our KVets & Supporters Employee Resource Group organized the event to demonstrate Kellogg’s longstanding commitment to military service and veterans. The evening included a speech from a KVets co-chair, Jason S., underscoring Kellogg Company’s support of military service and veterans, as well as a talk from special guest Jeremiah Pauley, a representative of the Wounded Warrior Project, who shared his story of becoming injured during his Army service in Iraq.



Kellogg Connects with Latino Consumers through Targeted Marketing and Product Development

The success of our business – today and in the future – rests on understanding and connecting with our consumers. And our consumers are increasingly diverse.

In the United States, our biggest market, demographics are changing quickly. According to a recent analysis by *USA Today* of U.S. Census data, “racial and ethnic diversity grew almost everywhere” in the United States from 2000 to 2010.

The U.S. Hispanic population has been growing especially quickly. In fact, the Hispanic population in the United States grew 43 percent from 2000 to 2010, compared to 5 percent growth for all other demographics combined.² Hispanics now account for about 16 percent of the U.S. population.³

In order to keep pace with these changes, we have increased our efforts to understand what our diverse consumer base is interested in purchasing and to reach them more effectively through targeted product development, marketing, advertising and sales. At present our multicultural efforts concentrate primarily on Latino consumers.

“My focus right now is ‘all Hispanic, all the time,’” joked Christopher R., associate director of multicultural brand marketing. “Seriously, we must get this right – right now. Our goal is to develop best-in-class cultural capability with Latino consumers through authenticity and cultural relevance. Our approach and lessons learned will certainly be replicable as we broaden our multicultural work on other demographics as well.”

Over the past year, Christopher has worked with brand advertising teams to develop television and print ads specific to the U.S. Hispanic market – rather than importing Spanish-language ads from Mexico or simply translating ads originally created in English. The new ads were developed in part based on Latino-specific ethnographic research (i.e., focus groups and other market research focused on the Hispanic consumer). Also, members of ¡HOLA!, our Latino ERG, have been tapped to critique and offer feedback on some of the advertisements.



Christopher R.



² See <http://www.cnn.com/2011/US/03/24/census.hispanics/index.html>

³ See http://www.census.gov/newsroom/cspan/hispanic/2012.06.22_cspan_hispanics.pdf.

We have also worked to ensure that we differentiate our reach to Latino consumers. “Our customers – that is, the retailers who sell our products – are looking for ideas in terms of how they can connect to different demographics, so we have to be able to provide solutions,” explained Kim Reed, senior vice president of sales.

During one of Kim’s previous Kellogg roles as a VP on the Publix account in Florida, Miami was the biggest market within her Publix business. “We did a lot of research to understand that consumer base,” she said. “The data supported that we needed to be more aware that the Hispanic consumer demographic is not monolithic.” Kim said they noticed distinct differences in terms of preferred brands, for instance, between Mexican-American consumers, consumers from Central American countries, and those with Cuban heritage. “As a result,” Kim explained, “we were able to focus on specific aspects of the Hispanic demographic in our sales platforms, to take advantage of the opportunities we identified. It was very enlightening for us, and it was effective.”

Our product development teams have also been seeking to reach Hispanic consumers with new products. For example, we recently released *Kellogg’s Frosted Flakes Chocolate*[®] cereal in predominantly Hispanic markets, such as in California and Texas. Known as *Kellogg’s Choco Zucaritas*[®] in Spanish, the cereal box features bilingual branding, with the English and Spanish product names alongside Tony the Tiger[®].

Our Keebler brand also recently unveiled an all-new product for this demographic – the *El Duende*[®] cookie. In December 2012, our ¡HOLA! group assisted in the development of this product by conducting a taste test and providing feedback.

All of these types of efforts are helping us to keep Kellogg Company “top of mind” among Latino consumers in the United States, which we know is important for our future success as a company.

“Our Hispanic consumers represent a great growth opportunity for us,” said Christopher. “As their numbers grow in the U.S. population, we have an excellent opportunity to drive greater awareness of and loyalty to our brands.”



Supplier Diversity Program Grows for 14th Consecutive Year

At Kellogg, supplier diversity is an important part of our diversity and inclusion work. Through our supplier diversity program – which was launched more than 20 years ago – we purchase from more than 200 supplier companies owned by women, people of color, disabled individuals, service-disabled veterans, and individuals from the LGBT (lesbian, gay, bisexual and transgendered) community.

“We have a growing diverse population in the United States, and our customers and consumers are representative of that. Our supplier diversity work is an effort to make sure our suppliers are representative of that as well,” said Walter Charles, chief procurement officer at Kellogg. “We’ve been doing quite well with the program – our diversity spending was the highest ever last year.”

Indeed, in 2012 we spent \$380 million, or 6.95 percent of our total spending, on first-tier diverse suppliers – our 14th consecutive year of supplier diversity growth.⁴ By comparison, in 1999 our spending among first-tier diverse suppliers was just \$49 million.

“Continual growth requires a focus from the top,” said Cathy K., director of procurement. “Making sure that we include diverse companies, setting goals to increase diverse suppliers within our supply chain and making this part of the performance measures gets results.”

Debra Q., manager of supplier diversity, emphasizes that there is a clear business case for Kellogg to support supplier diversity. “One of the prime values of supplier diversity is ensuring diversity of thought,” she said. “You never know where the next great innovation is going to come from. By having a diverse supplier base, we ensure we are tapping into the innovations and creativity of the full spectrum of ideas out there.”

Debra also noted that our diverse supplier companies tend to be smaller, so they can often do things less expensively, and they have more flexibility and a good ability to change and adapt as needed. And, she added, people want to purchase from a company that supports diversity. “Our customers and consumers do take notice,” she said.



Debra Q.

⁴ First-tier diverse suppliers are those we buy from directly.

“We Are Very Committed to Helping Other Diverse Companies in Our Area to Succeed”

John Leung
President and Partner
Prime Advertising

“Prime Advertising is a full-service advertising and event marketing company with a strategic focus on ethnic markets in the greater Toronto area in Canada. With 26 years in business, we were the first ethnic advertising agency in Canada to help mainstream corporations targeting ethnic markets, including Chinese (Mandarin-speaking Chinese from China and Taiwan, and Cantonese-speaking Chinese from Hong Kong), South Asian (Punjabi and Hindi), Korean, Philippine and Vietnamese consumers, as well as consumers from Europe and the Middle East. The goal of our company is to be the first go-to advertising agency for any size firm that would like to target ethnic markets in Canada.

We have been working with Kellogg for more than two years. We started with planning and organizing a strategic marketing and advertising campaign that targeted Chinese moms who speak Cantonese and Mandarin, to promote Kellogg’s products and raise brand awareness. The professional services we provided included strategic marketing and communications, media planning and placement, creative development, website design and development, planning and organizing sampling events, as well as the production of print advertisements and radio commercials.

All along, Kellogg has communicated with us very well regarding how it does business, and we have had no problem understanding the company’s products and adapting to their culture. With Kellogg being a well-known brand at global level, Prime Advertising is very proud to have Kellogg as one of our prestige clients and partners.

By working with large corporations like Kellogg, our business has been growing, and so has our willingness and effort to give back to our community. We are very committed to helping other diverse companies in our area to succeed. For example, we have been offering professional marketing services, at a community rate, to nonprofit organizations such as the Toronto Chinese Business Association and the Hong Kong Canada Business Association. We also actively support community events such as the Toronto International Dragon Boat Race Festival, in addition to helping with fundraising campaigns and events for the Mon Sheong Foundation, the United Way of Greater Toronto, Chinese Family Services of Ontario, and the Hospital for Sick Children. In 2002, we won an award from the Association of Chinese Canadian Entrepreneurs for the work we had done to contribute to the Chinese community.

Canada is such a diverse country. I think it’s important for large corporations and mainstream companies to stay connected and be involved with ethnic communities – and vice versa. There is much to learn from both sides.”



John Leung

Reflections on Diversity and Inclusion from Kellogg Employees



"I've been with the Office of Diversity and Inclusion since it was formed in 2005. In the beginning, we focused a lot on awareness training. We've evolved now to the point where people are clear that diversity and inclusion is essential to our business and our future success. It's been a great experience for me, watching D&I at Kellogg evolve in this way. I think it's now embedded in the organization well beyond what even the first director of our office envisioned. It's been great, in particular, to have unwavering support from the very top of the company on down. That's one of the reasons I absolutely love working for this company."

Ginger K.
Senior Executive Secretary
Office of Diversity and Inclusion

"It may sound like a cliché to say that 'diversity is a journey,' but it's also a true statement. And that journey never really ends. There's no particular metric we need to meet that will indicate 'we're done.' We need to celebrate the progress we've made, and then look for areas in which we need to make continued progress. I think the new ERG we launched in 2012 – KVets & Supporters – is a great example of recent good work at Kellogg, and one that we should all be proud of."

Sammie Long
Senior Vice President
Global Human Resources



"The ERGs at Kellogg Company create value for our organization. They bring people together and offer a sense of community. They enable networking among associates who may not otherwise connect. This includes people from different levels and functions within the organization. They also enable learning and development opportunities for their members – for example, chances to develop and execute a strategy, stand in front of an audience and speak, etc. And of course, ERG members can provide the company with insights that may be helpful in product development and marketing. So there's a real business value there as well."

Brad Cashaw
Senior Vice President
Supply Chain Snacks



"My culture deeply values education, and my family contains several scholars, so valuing intellectual curiosity has really shaped who I am. So has my faith. Together, they guide the way I tackle problems, interact with people and show respect. All of which are very consistent with our company's K Values."

John M.
Counsel
Legal & Compliance

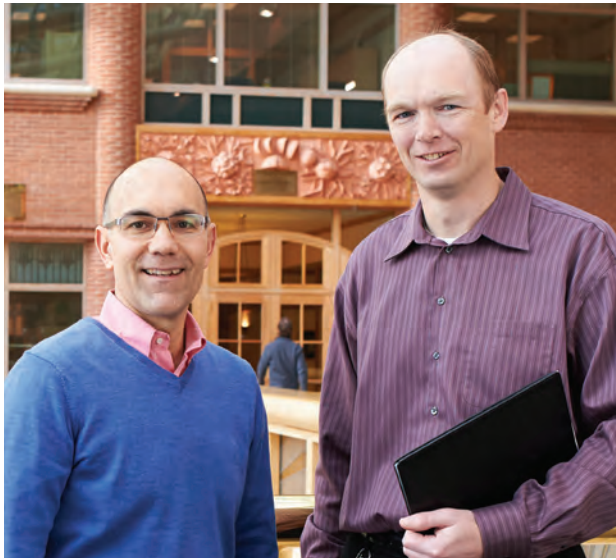


Message from Our Global Head of Diversity and Inclusion

At Kellogg Company, we know that diversity strengthens us. Our inclusion advances us. Our active dedication to both is what enables us. The bottom line: Diversity and inclusion is a business imperative that will help us achieve our vision to enrich and delight the world through food and brands that matter.

We hope this report has provided insight into a few success stories that demonstrate how we're making progress. From career development and business insights driven by our Employee Resource Groups, to the manager who takes the time to cross-culturally mentor someone with no expectation of recognition, we're strengthening our culture. We aren't where we want to be yet, but we're proud of the efforts so many make daily that help us be a better Kellogg. Diversity and inclusion is a responsibility we all share – and a critical element of our company's global growth strategy.

Sincerely,
Mark King
Global Head, Diversity and Inclusion



FEATURES

Diversity and Inclusion Annual Report
2012/2013



Kellogg's
Office of
Diversity
and Inclusion



Kellogg's

We welcome your feedback at:

One Kellogg Square
Battle Creek, Michigan 49016
269-961-2000
diversity.inclusion@kellogg.com
www.kelloggcompany.com

