

Developing Innovative Foods for Diverse Global Consumers

Cultivating a Diverse Supplier Base Raising the Bar to Recruit Great Talent Employee Resource Groups Generate Business Value











CONTENTS

- 1 WELCOME
- **6** MARKETPLACE
- 10 COMMUNITY
- **16** WORKPLACE
- 27 EMPLOYEE RESOURCE GROUPS
- **36** DIVERSITY AND INCLUSION TEAM



A MESSAGE FROM OUR CHAIRMAN **AND CHIEF EXECUTIVE OFFICER**

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

Diversity and inclusion are distinct but equally important concepts. Diversity, of course, refers to the wide variety of characteristics each of us has. Inclusion has to do with the environment we create so everyone can bring their whole selves to work every day and contribute fully to the organization.

At Kellogg, we are firmly committed to diversity and inclusion. We aim to have a workforce that, at all levels, reflects the vast diversity of our consumer base, and we want every employee to feel they can be real and authentic. We know that both diversity and inclusion are business imperatives: Diversity helps us better understand what our increasingly diverse consumers want and love, and inclusion helps to bolster employee productivity.

In recent years we have strengthened accountability for ensuring that we have a diverse workforce and an inclusive corporate culture. Such accountability begins at the very top of our organization, and I expect leaders across Kellogg to demonstrate their commitment to diversity and inclusion so that it permeates our entire operations. It's essential that we continue to drive progress forward so we set an even higher bar, not only in our own industry but within businesses overall.

We remain steadfast with our focus and have made a number of enhancements that I believe will enable us to reach new heights and build upon the accolades and third-party recognitions we have been honored to receive in the D&I arena.

As of early 2016, for example, our Executive Diversity and Inclusion Council (EDIC), which provides strategic guidance for our company's D&I initiative, is composed of all function heads. This ensures that consideration of diversity and inclusion filters down into each functional area. And, each of our Kellogg regions is required to have a meaningful D&I plan to further improve representation and inclusion around the globe.

We also have put a strong focus on mentoring, as a way for our executives and managers to build relationships with diverse individuals who are in the pipeline for leadership roles and to

(continued, next page)

WELCOME

ensure their readiness for those positions. Our Executive Cross-Cultural Mentoring Program expanded significantly in 2015, doubling in number of participants. This is just a start, and I expect that we will see strong successes from this program as it continues to evolve.

Our accountability mechanisms are strong, building upon other essential elements of our D&I work such as our outstanding Employee Resource Groups, Diversity Councils, training and development programs, D&I Center of Excellence and Supplier Diversity function. Taken as a whole, we are firmly integrating our commitment to diversity and inclusion into everything we do.

There's always more to be done, of course – always more progress that can be made. We know we can get better and we know we can set higher goals for ourselves. But we have made great strides. I'm very proud of everyone involved in this work and look forward to the progress to come.

Sincerely,

John Bryant

Kellogg Chairman and CEO



A MESSAGE FROM

OUR GLOBAL HEAD OF DIVERSITY AND INCLUSION

ore than ever, we at Kellogg understand that diversity and inclusion are a competitive advantage for our company, better enabling us to attract and retain talent and meet the needs of our diverse consumer base. D&I also drive better teamwork, innovation, engagement and productivity. Not only are they the right thing to do for our people, they're the smart thing to do for our business.

In 2015, we made good headway toward creating a more diverse and inclusive work environment. Kapable, our newest Employee Resource Group (ERG), for individuals with disabilities and their supporters, made a terrific impact on our organization in its first full year of existence. Kapable is helping to ensure we have a fully inclusive and accessible workplace; the group is also doing a great job raising awareness and influencing hearts and minds.

Kellogg has also further integrated the consideration of diversity and inclusion into regular business activities and practices. From aligning D&I with our Talent Management processes to consulting with our Multicultural Marketing team to being a resource for public affairs matters, our company continues to elevate the importance of D&I into how we do business.

We are grateful that our efforts continue to be acknowledged externally. For example, for the fifth consecutive year, Kellogg earned a spot on the 2016 DiversityInc Top 50 Companies for Diversity (at #30). Being recognized as a company committed to D&I progress obviously helps in numerous ways. And while we're proud of (and humbled by) the national recognition, we're hungry to achieve more.

Of course, our D&I efforts don't focus on our workforce alone. We also purchase from diverse-owned businesses, help to support nonprofit organizations that promote diversity and inclusion, and work to develop products that nourish and delight our very diverse range of consumers around the world.

In all areas of D&I, we continue to push ourselves to raise the bar – to drive continued improvements throughout Kellogg and beyond. We have made progress, and I know we will continue to do so.

Thank you for taking the time to read about our efforts in this report. We welcome your feedback at diversity.inclusion@kellogg.com.

Sincerely,

Mark King

Global Head, Diversity and Inclusion



DIVERSITY SNAPSHOT

BOARD OF DIRECTORS

6 WOMEN *** * * * * ***

T AFRICAN-AMERICAN

12 CAUCASIAN

HISPANIC

U.S. WORKFORCE

66%

34%

10%

OF U.S. EMPLOYEES ARE MEMBERS OF EMPLOYEE RESOURCE GROUPS

67% CAUCASIAN

33% PEOPLE OF COLOR

GLOBAL LEADERSHIP TEAM

15 *************

8 WOMEN *** * * * * * *** *

> 4 EUROPEAN

2 CANADIAN HISPANIC

12 AMERICAN

2 AUSTRALIAN SOUTH ASIAN AFRICAN

SUPPORTING DIVERSE SUPPLIERS

\$376 million

spent on first-tier diverse suppliers

DIVERSITY-RELATED PHILANTHROPY

More than 80%

of Kellogg Company and Kellogg Company Fund charitable and in-kind donations were given either to organizations that serve people in need (e.g., Feeding America, United Way) or to diversity-specific organizations

 $^{^{\}scriptsize 1}$ Data are as of year-end 2015.

AWARDS AND RECOGNITIONS

W.K. Kellogg Values **Award Winners**

he W.K. Kellogg Values Awards, named for our founder, are our company's most prestigious honors.

In early 2016, Tracy Joshua, Vice President, Indirect Procurement, was named the W.K. Kellogg Values Award winner for Diversity and Inclusion. Tracy has been a D&I role model at Kellogg, leading her team to generate more than \$150 million in diverse supplier spending in 2015 alone, and taking an active role on the Procurement Diversity and Inclusion Council. Tracy is also an industry-wide D&I champion, with her enthusiastic participation in multiple diversityrelated organizations outside of Kellogg.

Shailesh D.,² Information Technology Business Analyst, was similarly honored with a W.K. Kellogg Award in early 2016, in part for his efforts to create a work environment where everyone feels welcome. Shailesh's energy for supporting cultural awareness is apparent in his active participation in all of our Employee Resource Groups, including serving on the leadership teams of both ¡HOLA!, our Latino Employee Resource Group, and the Kellogg Multinational Employee Resource Group (KMERG).



Kellogg Company Recognitions Received³

Top 50 Companies for Diversity - #30 (2016)

- DiversityInc

100 Best Companies (2015)

- Working Mother

Top Companies for Executive Women (2016)

 National Association for Female Executives

100% Score on the Annual **Corporate Equality Index** (2016)

- Human Rights Campaign

Civil Rights Champion of Justice Award (2015)

- NAACP

"Winning Company" **Award** (2015)

- 2020 Women on Boards

² Throughout this report, we use first names and last initials only for our nonexecutive employees, to protect their privacy.

³ See http://www.kelloggcompany.com/en_US/awards-and-recognition.html for a more complete list of awards received by Kellogg Company.



DIVERSITY IN THE MARKETPLACE

Our foods are sold in more than 180 countries around the globe. To meet our goals for business growth, we must take into account the enormous diversity of the people who purchase and enjoy our foods.

Developing Innovative Foods for Diverse Global Consumers

aste preferences vary hugely from one region of the world to the next. So how does a Michiganbased global food company come up with the next big consumer hit halfway around the planet?

Here at Kellogg, we spend a lot of time talking directly to consumers, especially in our newest markets,

learning what they like to eat and analyzing which foods and flavors resonate the most. We also hire locally. After all, who better to understand regional tastes than those who were born and raised in that region? The more diverse our workforce, the better understanding we have of the diverse needs of our consumers.

CRAIG RETHWILL, (RETIRED) VICE PRESIDENT, EMERGING MARKETS R&D



In India, for example, we recently opened a new breakfast research and development lab and hired all local employees. "These new employees naturally know what people eat in India for breakfast and what will sell there," said Craig Rethwill, Kellogg's Vice President, Emerging Markets Research and Development (R&D). "Our India lab requires all of its employees to spend time visiting with consumers and retailers so they can stay connected."

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Regional Foods for Regional Tastes

Indian consumers, like many others around the world, prefer savory tastes for breakfast. Rather than reformulating popular Western flavors from sweet to zesty, we focus instead on generating new foods that target particular markets. Our Kellogg's Oats® porridge is a perfect example. With the bold and spicy flavors of curry and masala, the oats represent a radical departure from the Kellogg breakfast foods sold in the U.S. and Europe – but they suit the Indian palate perfectly.

Also in India, we recently launched a new cereal made from ragi, or millet, leveraging an existing local custom of feeding the traditional grain to young children. In Latin America, meanwhile, we have been adding amaranth to a variety of foods, including cereal bars and snacks. And in Africa, where we have been expanding, we are developing fermented grain porridges and drinks.

Playing with Flavors

Sweet potato. Crab. Seaweed. These are just some of the flavors that are popular in non-Western cultures.





So in South Korea, we produce a Special K® cereal with a sweet potato-based flake, while in Japan, we sell a popular seaweed-flavored Pringles® chip. Crab flavoring pops up in several Kellogg foods in Asian markets.

The Cereal Habit

Cereal isn't necessarily the first choice for a morning meal in many of the regions where we make and sell our foods. But we believe it will grow in popularity. "As people get busy and move into the middle class, an increasing percentage of them will see the convenience and nutrition of breakfast cereal - just as they did in the U.S. several generations ago," Craig said. "We are building the habit of cereal for breakfast."

To do that, we're making cereals that employ grains, proteins and legumes that are more popular in other countries. And we're focusing many of our efforts on cereals that are eaten hot, rather than cold, in keeping with local traditions.

Craig, meanwhile, is encouraging his research team to consider savory cereals as the next potentially big trend in the U.S. In other words, we're learning from new markets and thinking of ways to bring diverse, international Kellogg foods to the U.S.

"The rest of the world really likes savory cereals and bars for breakfast," Craig said. "That's one idea we might import from our emerging markets back to the United States."

Special K's "Own It" Campaign Celebrates Women

new Canadian advertising campaign for Kellogg's Special K® has drawn kudos and attention for its inclusiveness – it features women of all shapes, sizes, ages, sexual orientations, ethnicities and cultural backgrounds. The Special K® #OwnIt campaign, which began airing nationally in Canada in September 2015, celebrates women by encouraging them to ditch the all-too-common self-doubt around body image.

The goal of the campaign: inspire realistic and positive change by rallying women to "own it all." The ad is rooted in the insight that 97 percent of Canadian women have an "I hate my body" moment every day.

The campaign is a dramatic shift for the Special K® brand, which historically focused on weight loss. The new approach, which features real women (i.e., not actors or models), leads an important conversation around the power of body confidence and inner strength.

We believe *Special K*[®] can play an important role in positively impacting women and offering good food with ingredients that nourish the body, inside and out.

women and offering good food with ingredients that nourish the body, inside and out.

So far, the campaign's early results have proven positive. In December 2015, sales of Special K® grew 6 percent. A similar campaign began airing in Australia in early 2016.

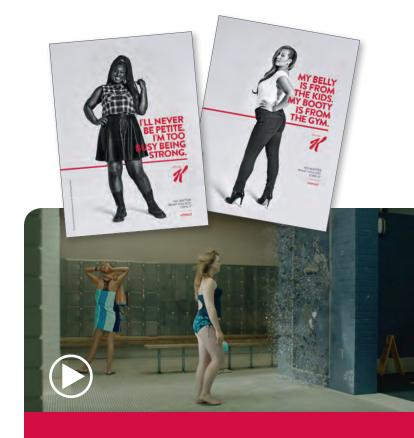
NATASHA M., SENIOR MARKETING DIRECTOR FOR CEREAL AND BEVERAGES. **KELLOGG CANADA**



"The Canadian population today is incredibly multicultural, and we're very accepting of diversity and inclusion," said Natasha M., Kellogg's Senior Marketing Director for Cereal and Beverages in Canada. "We wanted to make sure we represented what women really look like in Canada today."

The campaign also stemmed from a desire to make Special K® more relevant for consumers. Women's attitudes toward health and fitness have changed, and Kellogg recognized that the brand needed to keep pace. Moreover, the Special K® brand team saw an opportunity to drive growth through an edgier and more realistic campaign.

At Kellogg, we want to be an ally for women in their fight against self-doubt. We also believe Special K® can play an important role in positively impacting



Click above to watch the video, or view it at https://www.youtube.com/watch?v=aAVFCH9x70g



PROFILE:

CLIVE SIRKIN, CHIEF GROWTH OFFICER

Clive Sirkin recently joined Kellogg as our Chief Growth Officer. He's not new to Kellogg, however. He worked on the Kellogg account at Leo Burnett — a Chicago-based advertising agency — from 1989 to 2005.

[66] 'm delighted to be part of the Kellogg family again – and especially delighted that the company has the same core DNA and values as it did when I worked with Kellogg in the past. If anything, the company has become even more dynamic and diverse.

A diverse workforce is a critical driver for further growth. A colleague of mine once shared a formula that I believe is the key to a winning innovation culture: $I = S^{D} \div F$

Translation: Innovation equals stimulus to the power of diversity divided by fear. Stimulus is the passion to be curious and the desire to learn. It's a great start, but it is exponentially more powerful if one is open to – and not afraid of — diverse thinking.

To further build a growth culture at Kellogg, we must believe in and embrace this formula and commit to applying it. We must be open and curious. And we must listen to, and learn from, people whose backgrounds and views differ from our own. Doing so will make employees feel more fulfilled at work – and I guarantee it will drive better business results.

Companies that have true diversity simply perform better. And achieving diversity requires, first, a culture of inclusion. Diversity is an outcome of inclusion. If we truly believe in diversity and inclusion, they should track to everything we do and how we act. D&I are not work things; they are human things. They are how we as humans should conduct ourselves.

I grew up in South Africa at a time when repression based on skin color was the norm. My late father – and I hope one day to be half the man he was — encouraged me to leave my homeland so I would not raise children in an environment of exclusion. I am thankful to him, yet I often wonder if I should have stayed and been part of the change that finally came about. It reminds me that we all own the creation of a truly inclusive workplace.

I take inspiration from the late Nelson Mandela, who defined the standard of compassion, inclusion and humanity. I look to him as a model to inspire me to keep improving and to keep me honest, and I look to those I work with to help me grow and be better as a person."

"Companies that have true diversity simply perform better. And achieving diversity requires, first, a culture of inclusion. Diversity is an outcome of inclusion."

COMMUNITY



SUPPORTING D&I IN OUR COMMUNITIES

Our support for diversity and inclusion extends beyond our proverbial four walls to our broader communities. We purchase goods and services from diverse-owned suppliers, champion women farmers globally and give generously to community organizations that focus on diversity issues and causes.

Cultivating a Diverse Supplier Base

At Kellogg, we believe it's important to support and encourage a robust supplier diversity program. In 2015, we spent more than \$376 million on goods and services from companies owned by people of color; lesbian, gay, bisexual and transgender (LGBT) individuals; service-disabled veterans; differently abled individuals: and women.

Our program has grown substantially since we first began it more than two decades ago. Today, we're consistently recognized for our best practices in fostering a diverse supply chain. For example, the Women's Business Enterprise National Council (WBENC) honored Kellogg at the Silver Level as one of 2015's top corporations for women's business The Women's Business **Enterprise National Council** honored Kellogg at the Silver Level as one of 2015's top corporations for women's business enterprises.

enterprises. And in 2016, the National Business Inclusion Consortium, a coalition of national diverse business organizations, named Kellogg one of only 30 companies to be recognized as the "Best of the Best."

Honors such as these indicate we are on the right path when it comes to achieving greater diversity among companies within our supply chain. What follows are some examples of the work we are doing, both in our headquarters state of Michigan and nationally.

Michigan Diversity Connections

Kellogg helped to launch Michigan Diversity Connections (MiDiCo) as a way to bring diverse suppliers together to network and gain a better understanding of each other's needs. Although several large companies participate, Kellogg leads the monthly meetings, providing training on topics ranging from use of social media to generational differences in the workplace. Ultimately, the goal is to help greater numbers of small, diverse businesses align with corporate expectations so they, too, can become suppliers.

B2B in Battle Creek

B2B in Battle Creek, Michigan, is an annual networking event in our headquarters community that has grown

DEBRA Q., MANAGER. SUPPLIER DIVERSITY



progressively over the four years it has been in operation. Buyers from area corporations, governments, health care facilities and universities host networking tables to meet with potential suppliers, with a focus on diverse and locally owned small businesses.

"It's a tremendous opportunity for small businesses," said Debra Q., Manager for Supplier Diversity at Kellogg. "We want to make sure that Battle Creek businesses know that they are welcome and that we want to speak with them."

Supplier Spotlight

Six times a year, our Supplier Diversity office invites a potential supplier to come to the Kellogg Battle Creek campus and present to us, one-on-one, about their capabilities. The companies, most of which are not currently suppliers to Kellogg, also participate in a question-and-answer session with members of our Procurement team.

The suppliers get a unique opportunity to demonstrate their abilities to Kellogg. Our Supplier Diversity office assesses them first to be sure that they are legitimately qualified and certified as diverse suppliers.

The National Veteran Business Development Council

Kellogg is a founding sponsor of the National Veteran Business Development Council (NVBDC), which certifies businesses owned by veterans.

Many companies offer opportunities for veteranowned businesses through their supplier diversity programs – an estimated \$80 billion in annual spending, according to the NVBDC. However, veteran owners of medium- and large-size businesses in particular found that they couldn't take advantage of corporate diversity programs because there was no nationally recognized mechanism for certification. The NVBDC was established in 2014 as a certifier of veteran-owned businesses.

Debra Q. of our Supplier Diversity office is the chairperson of the NVBDC's certification committee.

Sojourner Truth Award

Each year, Kellogg gives the Sojourner Truth Award to the diverse supplier that spends the most on other diverse suppliers within its own supply chain. In 2015, the award went for a second year in a row to Bay Corrugated Container Inc. of Michigan, which reported that 5.45 percent of its total spend in 2015 was with other certified suppliers.



SUPPLIER PROFILE:

CREATA

Creata began in 1973 as one woman's attempt to work from home so she could be with her small children. Over four decades, it has evolved into a multinational business that collaborates with some of the world's biggest brands. And Kellogg has been a partner from the earliest days.

I hat does Creata do, exactly? They use the power of play to create positive connections between people and brands via strategy, promotions, products, packaging and more. Creata's leaders like to call their product work with Kellogg "fun in the box." Creata develops the premiums, or small toys and games, that children love to find inside their packages of cereal and snacks. The company also conducts market research to provide insight to consumer tastes and buying trends.

Norma Rosenhain, Creata's Founder and Chief Executive Officer, works from Hong Kong. Her daughter, Sue, is Creata's President, based in Chicago. Together, they head up 17 offices in the Americas, Europe, Asia and Australia. As a woman-owned business, they are Kellogg's largest certified diverse supplier for promotional product items and have won numerous supplier awards from the company.

Norma Rosenhain never imagined Creata would be where it is today. Her first business venture was iron-on transfers - decals that could be ironed onto clothing. Kellogg's Australia division was her second client, coming on board just months after she started. When her contact at Kellogg transferred to the company's headquarters in Battle Creek, Michigan, he recommended Creata provide premiums for the U.S. market, too.

Five years ago, Creata marked its billionth toy supplied to Kellogg.

Over the years, Creata has designed and produced a wide range of toys and games, including 140 million handpainted 3-D Disney figurines in 1990 that improved cereal sales. More recently, Creata supplied a series of popular spoons with figurines from Disney Pixar's Monsters, Inc. that sold out guickly.

Five years ago, Creata marked its billionth toy supplied to Kellogg. Current promotions include premiums for Pop-Tarts® in the U.S., Pringles® in Europe, and several varieties of cereal in the U.S., Canada, Europe, Asia, the Middle Fast and Latin America.

Sue Rosenhain said being a woman-owned business wasn't much of a factor back when her mother first started the company. But in recent years, it has proven advantageous. Kellogg's Supplier Diversity office has encouraged "Kellogg has guided us and connected us to other women-owned businesses and supported us as we went through the WEConnect certification process."

Creata to pursue certifications that recognize the firm's female ownership. Today, Creata is Kellogg's only international diverse supplier certified through the organization WEConnect International.

"Kellogg has guided us and connected us to other women-owned businesses and supported us as we went through the WEConnect certification process," Sue said.

Norma said Kellogg has been an amazing company to work with over four-plus decades. "I would really like to thank Kellogg as a company because they have been a wonderful partner. We've had a huge amount of fun - not just fun in the box, but fun working together. They've treated us as partners, and I am incredibly grateful for that relationship."



Supporting Women Farmers

ne of our company's goals is to help support the livelihoods of half a million farmers, including 15,000 smallholder and women farmers, in our global supply chain. These farmers contribute to the world's food supply, but often lack the resources and knowledge to improve their techniques in ways that will boost their incomes.

We support on-the-ground engagement efforts that provide resources and education to farmers around the globe. Our programs focus on practices for improved yields, crop diversification, adaptation of crop varieties, integrated pest management, post-harvest storage technology and waste reduction, access to markets, access to clean water and more. These practices can help improve farmers' yields, which in turn improves their livelihoods, increases food availability and helps to address hunger.

To date, we estimate our programs are reaching about 8,000 smallholders, including approximately 3.000 women.

In the Eastern Cape of South Africa, for example, Kellogg launched a project to pilot a commercially viable smallholder maize value chain for 400 subsistence farmers – 70 percent of whom are women - covering 600 hectares. Through an innovative model, this project works closely with traditional leaders (tribal chiefs) and communities to organize subsistence maize farmers under a community-owned trust,



through which farmers can pool their lands, enabling the adoption of modern, commercial farming techniques, the production of commercial-grade maize, and linkage to markets where they can sell their maize. In partnership with TechnoServe, Phase II of the project will focus on three primary objectives: expanding the reach to more smallholders; enhancing work on "climate smart" agricultural practices through access to and training on improved technology and modern farming practices; and linking production to Kellogg's South Africa supply chain while reaching an additional 400 smallholders directly and benefiting approximately 3,200 farm laborers and household members indirectly.



Meanwhile in India, Kellogg funding will help empower 5,000 women smallholders in Odisha, India's poorest state, where gender-based inequalities are exacerbated within lower-caste and tribal communities. We're partnering with The Bill & Melinda Gates Foundation and Cargill to help women smallholder farmers enhance their production of maize, promote secure and sustainable livelihoods, and improve their status in their communities.

We also are supporting projects with women cocoa farmers in Côte d'Ivoire and quinoa growers in Bolivia, among others.

Our work with women in the supply chain is earning recognition externally. Oxfam, for example, regularly issues a scorecard called "Behind the Brands," which rates the efforts of 10 food and beverage companies to improve social and environmental standards in their supply chains. In 2016, Kellogg was recognized as "most improved," moving to 4th place, up from 7th in 2015.

"We bring women's empowerment to life in several ways," said Diane Holdorf, Kellogg's Chief Sustainability



DIANE HOLDORF, **CHIEF SUSTAINABILITY** OFFICER

Officer. "Through our work and ingredient sourcing, Kellogg has the opportunity to help improve the livelihoods of women. And research has consistently shown that when women's livelihoods improve, they invest in their families and communities, helping themselves and others to thrive."

To learn more about our sustainability efforts with farmers, check out our latest Corporate Responsibility Update at http://www.kelloggcompany.com/en_US/ corporate-responsibility.html.

Philanthropy/Community Giving

♪ ellogg Company supports diversity and inclusion in the community through philanthropic donations to nonprofit organizations, including those listed below. Funding for these donations typically comes from the Kellogg Company Fund, the charitable arm of Kellogg, and goes toward programs that expand opportunities for people of diverse backgrounds.

- · American India Foundation
- · Asian & Pacific Islander American Scholarship Fund
- · Association of Latino Professionals in Finance & Accounting
- · Battle Creek Pride
- · CALIBR Global Leadership Network
- · Casa Central
- Center on Halsted
- Congressional Medal of Honor Foundation
- · Consortium for Graduate Study in Management
- Foundation Fighting Blindness
- · Kalamazoo Gay Lesbian Resource Center
- La Rosa Family Services

- · NAACP Law Fellows Program
- · National Council of La Raza
- · National Organization on Disability
- · National Society of Black Engineers
- NextGen Network
- · Operation Homefront
- Society of Asian Scientists & Engineers
- Society of Women Engineers
- · Talons Out Honor Flight
- · Thurgood Marshall College Fund
- · Urban League
- Voces



FOSTERING D&I IN OUR WORKPLACES

At Kellogg, we seek to create a diverse workforce that is also inclusive, where every employee feels welcome and able to be their authentic selves. While many of our workplace D&I efforts are U.S.-focused, we are broadening our reach to include all Kellogg regions around the globe.

Raising the Bar to Recruit Great Talent

diverse workforce doesn't happen by accident. It starts with recruitment — with deliberate and

CAREY H., SENIOR DIRECTOR, MORNING FOODS **RETAIL SALES**



focused efforts to reach the right job candidates. At Kellogg, we use a variety of means to attract and recruit people from many different backgrounds - from campus job fairs and information sessions to engagement with professional organizations.

A New Opportunity

We have engaged in a promising new approach to recruiting African-American students: the Thurgood Marshall College Fund Leadership Institute. The Institute brings together top-performing students from historically black colleges and universities each November for a four-day event consisting of leadership For Kellogg jobs that require an advanced or specialized degree, professional organizations are a great recruiting tool.

training sessions and a career fair where participants can interact with potential employers.

In 2015, Kellogg sponsored and attended the event for the second year running — with outstanding results. "We recruited six sales interns and one full-time sales employee through the Thurgood Marshall Leadership Institute," said Carey H., Senior Director, Morning Foods Retail Sales. "Our Supply Chain and Information Technology functions participated as well and also hired several talented graduating students."

These hiring results represented a substantial improvement over 2014, when Kellogg attended but did not make any hires. "We learned a lot that first year and better prepared our recruiting strategy for the second year," said Carey. "For instance, we enhanced our engagement with students prior to the event by leveraging multiple social media outlets, and even interviewed some students prior to arriving at the event. We also were the sole sponsor and host of the opening night ceremony, which was attended by approximately 500 students. This helped to create a buzz about Kellogg as students arrived on the first day."

Carey said the entire experience was "very rewarding and productive," and he intends to participate again in 2016.



Diversifying Our Engineering Function

For Kellogg jobs that require an advanced or specialized degree, professional organizations are a great recruiting tool. One organization our employees have been involved with is the Society for Women Engineers (SWE). For example, Maria Fernanda Mejia, President of Kellogg Latin America, spoke at a SWE conference in Nashville, Tennessee, in late 2015.

Maggie H., Capital Engineering Director at Kellogg, has been actively involved with SWE since she graduated from college, and she has represented Kellogg at the organization's events since she joined the company in 2001.



MAGGIE H., CAPITAL ENGINEERING **DIRECTOR**

"Kellogg has worked with SWE since 2005, which has definitely helped us with employee diversity," Maggie said. "Before, we had fewer women in engineering than the average company of our size, but now our numbers are much closer to the national average. There are plenty of women in engineering – you just have to expand where you look for talent."

That applies to other categories of diversity as well, of course. And Kellogg's Engineering function has broadened its approach to recruiting, expanding its grassroots participation with several organizations in addition to SWE – including the National Society of Black Engineers, the Society of Hispanic Professional Engineers, the Society of Asian Scientists and Engineers, and the American Indian Science and Engineering Society.

While it's too early to know what the results of those efforts will be, Maggie noted that the benefits are sometimes intangible. "Going to the career fairs of these kinds of organizations helps to build excitement about the idea of working for Kellogg," she said. "We have someone dressed up as Tony the Tiger, and we show that we're not a stuffy company and we're a fun place to work. It's great exposure for Kellogg."

Acogiendo y Apoyando D&I en América Latina⁴

n recent years, Kellogg regions around the globe have taken significant steps to advance diversity and inclusion in local markets, in ways that make the most sense for their own businesses. Kellogg Latin America (KLA) is a great case in point.

KLA recently developed a region-specific D&I strategy; leaders and managers have taken our Unconscious Bias training course; and two Employee Resource Groups have expanded into the region – Women of Kellogg in 2014 and K-Pride & Allies in June 2016.

"D&I are not really new for us; they are in our DNA and our values," said Gabriela B., Americas Talent and Change Management Team Lead, who led the first phase of the D&I strategy for the region. "But we've gained a broader understanding of what it means. It's not just race and gender — though those are obviously important. It's also work styles, leadership styles, and other characteristics of difference that may not immediately be visible."

Gabriela said KLA's D&I strategy currently has two key workstreams: promoting an inclusive company culture where everyone can participate fully, and developing a more diverse pipeline of talent for

GABRIELA B., AMERICAS TALENT AND CHANGE MANAGEMENT TEAM LEAD



Kellogg Latin America recently developed a region-specific D&I strategy.

leadership roles, particularly in the Supply Chain and Customer Development functions.

The Unconscious Bias training program, which seeks to help participants uncover their own hidden perceptions and provide strategies and tools for recognizing and mitigating bias, was delivered three times in the region in 2015. The KLA leadership team participated first, followed by two groups composed of managers and above. Additional sessions are planned for 2016.

Gabriela participated in one of the sessions and found it eye-opening. "For me, it was interesting to think about how we may unconsciously make decisions based on stereotypes about other people," she said. "And these are not small decisions; these decisions may affect a person's whole career! It's something we have to work on every day."

Gabriela also emphasized that raising awareness of unconscious bias is essential to the business. "The whole point is to encourage people to bring their whole, authentic selves to work — to unleash their full potential. And that's good not just for the individual, but for the company."

4 Translation: Embracing D&I in Latin America





PROFILE:

RODRIGO LANCE, VICE PRESIDENT, SUPPLY CHAIN, **KELLOGG LATIN AMERICA**

Features spoke with Rodrigo Lance about his efforts to promote diversity and inclusion in Kellogg Latin America, and why he thinks it's so important.

hy do I support diversity and inclusion? It's pretty simple. A diverse and inclusive team is a stronger and more innovative team. When team members have different backgrounds and hold different points of view, they have richer discussions and come up with better solutions. They are more willing to take risks and challenge the status quo. All of that is great for the business.

It's really important for leaders to communicate the importance of this, and to walk the talk. I've tried to do this by being a sponsor of the Women of Kellogg ERG in Latin America. Also, our whole leadership team has been vocal in support of our new K-Pride & Allies chapter. We are the first consumer packaged goods company in Latin America to have a group like K-Pride, for LGBT employees and their allies. We're really very proud of it.

We have an opportunity to improve the gender balance of our Supply Chain leadership team in KLA, so we've put a focus on that. We have a strong program in place and have set deliverable goals for each year.

I've been at Kellogg for 19 years, working in many different roles in both the U.S. and Latin America. In that time, I've been impressed that the company really puts money, resources and time behind diversity and inclusion efforts. Kellogg is a company that truly walks the talk in diversity and inclusion."

"A diverse and inclusive team is a stronger and more innovative team."





Swiss Employees Take Part in Diversity Week

n March 2016, more than 60 Kellogg employees in Geneva, Switzerland, took part in Diversity Week, which featured unique events every day at lunchtime and explored the themes of leadership, different cultures and female employees' experiences in the workplace.

Sponsored by the Women of Kellogg ERG, Diversity Week included remarks by senior Kellogg executives, a panel discussion about female leadership at Kellogg,



"[Diversity Week] brought awareness of diversity topics and helped to spark some really interesting discussions."

and a potluck lunch featuring culinary delights from cultures around the world. In addition, participants took part in a webinar called "Unconscious Bias and What to Do about It," presented by Minjon Tholen, a training and development specialist from Cook Ross Consulting Firm.

Participants gave the whole event high marks. "Diversity Week really helped to emphasize that diversity matters to Kellogg," said Julie M., Human Resources Director, Snacks, Kellogg Europe. "It also brought awareness of diversity topics and helped to spark some really interesting discussions. The feedback we got was excellent, and we definitely plan to do it again next year."

Global D&I Learning Series Aims to Raise Cultural Awareness

Kellogg's Office of Diversity and Inclusion launched a Global D&I Learning Series in 2015, aimed at helping employees work together effectively in our multicultural, international organization.

"Many Kellogg employees have global responsibilities," said Noel H., Senior Manager, Diversity and Inclusion. "As they work across regions, they need to understand cultural differences, be flexible in how they interact with others and make adjustments as needed."

Three sessions were held in 2015 – one each on multicultural marketing and global consumer trends; cross-cultural communication; and millennials in the workplace. The sessions are voluntary and open to any Kellogg employee interested in the topic. Each involved presentations from Kellogg leaders as well as external experts.

The first two sessions were held in person at Kellogg headquarters in Battle Creek, Michigan, but were available for live remote viewing via video conference.



The third was conducted via WebEx, and all of the sessions were recorded, so employees can watch them when it's most convenient for them.

Kellogg Cross-Cultural Leadership Development Program Fosters Dialogue and Empowerment

↑ ↑e launched the Kellogg Cross-Cultural Leadership Development (KCCLD) program in 2014 with the aim of strengthening the retention and development of people of color in our salaried workforce.

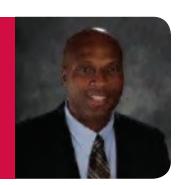
According to recent KCCLD participants, the program has multiple benefits. For example, one of the program's strengths is prompting employees and their managers to have more open, honest conversations and, as a result, better working relationships. Indeed, the program requires these one-on-one conversations and even provides "conversation starters" to get things going.

"It was great to be able to have open dialogue with other African-American employees and to talk about how we can bring up topics with our managers that may be uncomfortable, whether it be about our performance or about race or any other issue," said Amani B., Brand Manager, Marketing, and a KCCLD participant. "The program is helping us have important conversations, and that's really to the benefit of the business and the entire organization."

Another participant said he appreciated how the program emphasized personal empowerment. "One program topic in particular focused on how 'success begins from the inside out,' through thought, beliefs, decisions, actions and your habits and behavior," said Torrance B., Senior Director, Snacks Sales. "Once you understand and are able to articulate your value and capabilities, then you must self-advocate — create your own strategic roadmap for success and connect with those who can help you build your skill set."

Torrance added: "With the timing of the course during Q4 of last year, it gave me the opportunity

TORRANCE B., SENIOR DIRECTOR. SNACKS SALES





AMANI B., BRAND MANAGER, MARKETING

to develop my own personal scorecard for success. On December 31st, 2016, I will look back and see if I accomplished my strategic goals."

Sponsored by the Kellogg Executive Diversity and Inclusion Council and produced by our D&I Center of Excellence in partnership with Trudy Bourgeois, CEO and Founder of the Center for Workforce Excellence, the KCCLD is aligned with our K Power to Grow leadership competencies and with the W.K. Kellogg Leadership Academy. It involves four sessions that take place over the course of four months. The primary topics include:

- · Succeeding in corporate America as a person of color
- Building and marketing "the brand called you"
- · Leading and engaging with the head and the heart (emotional intelligence)

According to recent KCCLD participants, one of the program's strengths is prompting employees and their managers to have more open, honest conversations and, as a result, better working relationships.



PROFILE:

WENDY DAVIDSON, PRESIDENT, U.S. SPECIALTY CHANNELS

Wendy Davidson is serving as Chair of the Women's Foodservice Forum (WFF) Board for 2016 and 2017. Features talked to her about her career and her longtime affiliation with this leadership development organization.

the WFF is 27 years old, and I have been a proud member for the past 21 of them. The organization started with a group of passionate women who wanted to elevate women leaders to create more gender-balanced executive teams in our industry. To do that, they knew they needed to create opportunities for women to develop core competencies, build critical leadership skills and create the connections required to reach the executive suite.

I became involved with the WFF early in my career, while working at another food company, where I often found myself being the only woman and, often, the youngest person on the team. During this time, I had moved job functions and transitioned from a sales position into a marketing role although I did not have a traditional marketing background. My manager encouraged me to attend a WFF event, where I was introduced to some of the best and brightest marketing executives and editors from across the food industry. When I became a member, I was instantly connected with this talented network of leaders who were not only interested in getting to know me, but willing to provide valuable coaching and support. At the first event, I was struck by the number of people who asked about my goals and then offered their time, experience and insights.

WFF provided opportunities for me to connect with others and engage to develop new skills and learn best practices. I volunteered on marketing and public relations committees, which provided me the opportunity to test ideas that I could take back and apply at my company. My mentors within WFF allowed me to ask questions and test ideas and they helped to guide me along the way.

From that first event, I formed a strong network of people – both men and women – that I could reach out to and look to throughout my career. They shared their experiences and insights as I transitioned to each new role in my career. Many of these individuals were working for competitor companies, yet that never seemed to matter. We all shared in a mission to elevate women in the workplace and change the face of leadership in our industry. They eventually became great business partners.

In 2010, I was elected to serve on the WFF Board of Directors, three years before I joined Kellogg. In 2012, I joined the Executive Committee and then, in 2016, I was named Board Chair of the organization. Many of the women I have worked with at WFF over the years are now customers of Kellogg's. And the connections made through my involvement with WFF have led to business opportunities that span across the company.

Today at Kellogg, we have about 75 employees who are WFF members engaging in a variety of ways, ranging from attending the organization's events such as the Annual Leadership Development Conference, regional Leadership Development Workshops or Executive Summit, to accessing competency development tools and

"I have benefited enormously from WFF, and I want to ensure our team has the opportunity to leverage the content, competencies and connections the organization has to offer. I believe that when you move forward in your career, you need to hold the door open and reach a hand back to help others to achieve their full potential."

programming via webinars. WFF has a comprehensive library of resources that companies like ours can use for development with employees and employee resource groups. Recently, we created a committee inside of Kellogg that is focusing on how to leverage these WFF resources more effectively so we can reach even more employees at Kellogg – men as well as women.

Our people are our most competitive advantage, and developing a pipeline of ready leadership talent is a critical enabler to delivering on our growth plans. I have benefited enormously from WFF, and I want to ensure our team has the opportunity to leverage the content, competencies and connections the organization has to offer. I believe that when you move forward in your career, you need to hold the door open and reach a hand back to help others to achieve their full potential."

Working with External Professional Organizations

ust as Wendy Davidson (see story above) has benefited from her work with the Women's Foodservice Forum, our $oldsymbol{oldsymbol{J}}$ employees benefit from the networking and development opportunities offered by other professional organizations. The following are some of the organizations with which Kellogg and our employees are involved:

- Association of Latino Professionals in Finance and Accounting (ALPFA)
- CALIBR Global Leadership Network
- Catalyst
- DiversityInc
- Executive Leadership Council (ELC)

- · Gay, Lesbian and Straight Education Network (GLSEN)
- HirePurpose
- HispanicPro
- National Association for Female Executives (NAFE)
- National Organization on Disability (NOD)

- · Network of Executive Women (NEW)
- · Out & Equal
- · PFLAG (formerly Parents, Families and Friends of Lesbians and Gays)
- Women's Foodservice Forum (WFF)











Two New Diversity & Inclusion Councils Launched

lellogg saw the launch of two new functional diversity and inclusion councils in 2015 – the Global Business Services (GBS) D&I Council in Grand Rapids, Michigan, and the D&I Subcommittee of the Finance People Development Committee at our Battle Creek, Michigan, headquarters.

These two new councils have begun working on plans and activities that support our company's diversity strategy. For example, the GBS D&I Council has already organized a Kellogg presence at Grand Rapids Pride events as well as hosting a successful ERG membership drive to expose and connect employees to all that the ERGs have to offer. The Finance D&I Subcommittee is planning training sessions on Unconscious Bias with their leadership.

The new councils join seven already in place at Kellogg (see list at right). While our Employee Resource Groups are companywide and focus on topics impacting particular employee affinities, our diversity councils

Our diversity councils focus on the wide range of diversity and inclusion topics that may exist in a particular business unit, function or facility.

focus on the wide range of diversity and inclusion topics that may exist in a particular business unit, function or facility. Their primary focus is establishing and sustaining a diverse and inclusive culture within their own particular area of the business.

"More D&I councils are being established because business units and functions are really seeing the benefit of them," said Carol L., Senior Manager for Diversity and Inclusion at Kellogg. "It's clearer than ever that diversity is a key business enabler — both in terms of reaching global consumers and marketing the company as an open and inclusive employer to potential employees."

D&I Councils at Kellogg

- D&I Subcommittee of the Finance People **Development Committee**
- · Global Business Services D&I Council
- · Global Engineering D&I Council
- · Information Technology Diversity Council
- · Kellogg Canada Diversity & Inclusion Council
- · Procurement D&I Council
- Research, Quality and Technology Diversity Taskforce
- Wyoming Diversity & Inclusion Council
- · Women in Supply Chain



Diversity & Inclusion Champions

ff Promoting diversity and inclusion is important not only for our company but for our society and immediate circle of influence too. To me, D&I is a synonym for values, behaviors, freedom and respect. I'm very engaged with our ERG strategy, making it a reality in Latin America. At Kellogg, we invest a lot of energy and resources to promote diversity and inclusion throughout the organization. One thing we do well is helping our people understand that D&I brings growth and development to the business and to us as individuals. My vision is that we become a D&I role model for the industry, a company where everyone feels it's a safe environment, where everyone hears and respects the ideas of others and builds upon them to achieve greater results, a company where we live the D&I benefits as part of the culture we have built over the years."



JESSICA D., INTERNAL COMMUNICATIONS MANAGER, KELLOGG LATIN AMERICA



ffl once had a boss who said, 'Diversity is not an organization strategy, it's a business strategy.' I never forgot that. Our company must reflect the population it serves, and we will be at our best when we consider diverse points of view when making key decisions. Our country was built by people from many different races, cultures and traditions. It's what makes America great. I think we have an obligation to continue to foster an environment where everyone can succeed to their fullest potential. I'm honored to be the executive sponsor of ¡HOLA!, our Latino ERG. It's a fantastic team. I'm just getting started with them, but I'm looking forward to big things from this group.

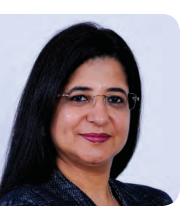
CRAIG BAHNER, PRESIDENT, U.S. MORNING FOODS

ffStudy after study has proven that companies with more diverse workforces produce better results. This is driven by the fact that a diverse team has varied perspectives that mirror those of the consumer base and can shed light on what motivates consumers to purchase the foods they do. I know that promoting D&I begins with me – with setting an example for others. As the executive sponsor for our Kellogg African-American Resource Group (KAARG), my actions speak louder than my words. I believe that if we are truly aligned to our values and want to create a better environment, we will step up, lean in and create the culture we're looking for. At Kellogg, we have made tremendous progress in creating a diverse and inclusive environment. The next step is to further that momentum. I'm excited about our future ""



SCOTT SALMON, SENIOR VICE PRESIDENT, SNACKS SALES, AND U.S. CHIEF CUSTOMER OFFICER

Diversity & Inclusion Champions



SDiversity and inclusion are important for Kellogg because, in part, companies with more women in the workforce are known to have better business results. Women bring different perspectives and different skill sets to an organization, which can complement the strengths of men. Also, women represent half the population of this world and must be proportionally represented across every discipline to bring in diverse perspectives. I have had the privilege and honor of being the Women of Kellogg sponsor for the Asia Pacific region for the last year. We commenced work by co-creating a vision for the Asia Pacific D&I agenda: to 'inspire and enable the women of Kellogg to feel fulfilled.' For Kellogg India, my overall vision for D&I is to have a truly diverse workforce along all vectors of diversity - mindset, caste, gender, affluence and culture at all levels of the organization, so that our company is a true reflection of the consumers to whom we market our brands.

SANGEETA PENDURKAR, MANAGING DIRECTOR, KELLOGG INDIA

ffIt's imperative that we continue to attract and retain diverse talent - throughout all levels of the organization - in order to thrive. We continue to make good progress in gender diversity across the company, and we have one of the most gender-diverse boards in corporate America. At the same time, we need a continued strong emphasis on other aspects of diversity such as race and ethnicity, diversity of thought, different abilities and more. I have the honor of being the executive sponsor of Kapable, our newest Employee Resource Group. Kapable will ensure that Kellogg is a welcoming and inclusive environment for employees with disabilities and their supporters. Overall, I'd like to believe that Kellogg will become the 'employer of choice' for attracting top, diverse talent from all corners of the world. By continuing to integrate diverse talents, thoughts, cultures, backgrounds and capabilities, Kellogg will be unstoppable."



BRIAN RICE. SENIOR VICE PRESIDENT. CHIEF INFORMATION OFFICER & GLOBAL BUSINESS SERVICES.

OUR EMPLOYEE RESOURCE GROUPS

Kellogg's eight ERGs generate tremendous value to the business by helping drive progress across a variety of key business goals and objectives. From providing employees with opportunities for networking, professional development and community volunteering to being resources for feedback on our foods and marketing campaigns, our ERGs are essential catalysts for growth.













K-PRIDE & ALLIES



KVETS & SUPPORTERS



WOMEN OF KELLOGG



YOUNG PROFESSIONALS

EMPLOYEE RESOURCE GROUPS





iHOLA! HELPS WITH RECRUITMENT, RAISES AWARENESS

embers of ¡HOLA!, our Latino ERG, undertook several initiatives in 2015 – among them, working to help boost the retention and recruitment of Latino employees at Kellogg.

"Our goal is to have the Kellogg leadership, workforce and talent base reflective of Latino diversity and population. Kellogg has an opportunity to do better in terms of Latino representation, especially at the leadership levels," said Christopher R., Associate Director, Multicultural Marketing. "And we know the company is fully capable of getting where it needs



to go. So, ¡HOLA! has sought positive ways to help be part of the solution."

As an example, ¡HOLA! has engaged with Hispanic-Pro, a Chicago-based networking organization. "By participating in their events, we're making good connections, meeting potential new hires and getting access to talent that we might otherwise not have," said Christopher.

Also in 2015, ¡HOLA! celebrated Hispanic Heritage Month and hosted Spanish-language workshops, which enable participants to practice speaking the language. Three sessions were held in 2015, with about 25 employees taking part in each. The Hispanic Heritage Month celebration took place in September 2015 over a lunch hour at our Battle Creek, Michigan, headquarters. The event featured food from a local Mexican restaurant, games and a photobooth. Nearly 500 Kellogg employees attended.

All of these activities provide ¡HOLA! members with avenues for professional development and networking. "¡HOLA! presents so many opportunities for me to interact with people in different business units," said Liz R., Senior Consumer Specialist. "Also, our leadership team feels like a family within this huge business. Since I'm early in my career, I find this really helpful."



KAPABLE: CREATING AN ENVIRONMENT WHERE EVERYONE CAN THRIVE



or both Jessica W., Senior Director of Customer Marketing, and Scott Hamric, Vice President of Shopper Marketing and Customer Activation, involvement with the new Kapable ERG is personal.

"My dad worked as an orientation and mobility instructor for the blind," Jessica explained. "From a very young age, I was inspired by his dedication to helping others. There's no question that made me empathetic to the challenges others face, and made me want to help where I can."

The story is similar for Scott. "I'm godfather to a nephew who is autistic. Also, I recently had two fingers amputated due to a rare tumor, which has opened my eyes to the difficulties some face. Kapable enables me to help others with challenges, whatever they may be."

Launched in April 2015, Kapable focuses on making Kellogg an inclusive environment for those who have a disability and supporters of those who are disabled. The group's motto: "I'mpossible."

In its first year, the group hosted several events, including outreach and connection to other companies. For example, seven Kapable representatives visited a Walgreens distribution center in Connecticut where more than 40 percent of the employees are differently



abled. There they discussed how to handle challenges and resistance related to retaining, recruiting and hiring employees with different abilities.

In early 2016 in Battle Creek, Michigan, Kapable hosted the nonprofit Artists Creating Together (ACT). They set up tables with wood tiles and paint and asked participants to paint what "ability" means to them. Hundreds of Kellogg employees took part, and the tiles have been compiled into a mural that is now on display at Kellogg headquarters.

"The most important goal for Kapable," said Jessica, "is to create a mindset that truly fosters an environment of possibility and capability. Every one of us can make a difference."

EMPLOYEE RESOURCE GROUPS





KAARG HELPS WITH RETENTION, **BUILDS COMMUNITY**

RGs are often a mix of the serious and the fun, and the Kellogg African-American Resource Group (KAARG) is no exception.

Asked why she is a member, KAARG leader Viveca F., who is Senior Director, Supply Chain Packaging, Kellogg North America, said: "I wanted an opportunity to be hands-on in driving the retention, development and recruitment of African-American employees." Other KAARG members noted that involvement in the leadership team, in particular, can help to build management skills. Another said the group is just plain fun. "We have a great time!" she said.

KAARG organized several activities in 2015 and early 2016. Most notably, KAARG hosted an event



in October 2015 titled "The New African-American Family: Why African-American Consumers Matter." at which representatives from Black Entertainment Television (BET) spoke about consumer buying habits and trends.

About 60 Kellogg employees attended, including individuals involved in marketing and sales. Interest in the African-American consumer clearly increased following the presentation. For example, an individual from one of Kellogg's brands asked for further information about gaps in African-American household penetration for that brand. This is one of the ways KAARG adds value and impact to the business.

KAARG also hosted a talk by Dr. Jimmy Davis from CALIBR. "He discussed the importance of the three aspects of 'executive presence:' gravitas, communication and appearance, and how to avoid mistakes that can impact your credibility," Viveca said. In another event, KAARG heard from Kellogg Board Member and President and CEO of W.K. Kellogg Foundation La June Montgomery Tabron, who spoke about her career journey and how to successfully lead teams.

KAARG has also expanded their reach. Our Augusta, Georgia, plant launched a KAARG chapter in 2015; our Chicagoland office expects to launch one in 2016.



KMERG CELEBRATES 10-YEAR ANNIVERSARY



aving launched in 2006, the Kellogg Multinational Employee Resource Group (KMERG) is celebrating 10 years of "Bringing the World to Kellogg." Over the past decade, KMERG has worked hard to raise cultural awareness and help those from outside the U.S. feel at home at the Kellogg headquarters in Battle Creek, Michigan.

"After I moved here from Europe, KMERG felt like the natural home for me," said Sheila D., Senior Human Resources Director for Talent. "The group is all about celebrating the diversity of the Kellogg family and promoting inclusiveness." About 70 nationalities are represented in the group.

"Cross-cultural awareness is increasingly important to Kellogg from a business perspective as well," noted George C., Principal Scientist, Advanced Innovation. "For example, we now have joint ventures in Nigeria and Egypt. It is important for us to know about the cultures, faiths and food habits of other regions as we continue to grow globally."

Toward that end, KMERG sponsored a lunch-andlearn in July 2015 in which a local imam explained the Muslim holiday of Ramadan and its requirements for fasting during daylight hours. "I really appreciated that talk," said Monjur H., Senior Product Development



Scientist, Advanced Innovation, "I fast for the month of Ramadan, and it's helpful for people to understand why I cannot participate in food reviews during the daytime. I usually catch up with the team by reviewing after I break my fasting."

Later in 2015, KMERG sponsored a panel discussion called "Cracking the Bamboo Ceiling," about the individual, cultural and organizational factors that may impede Asian Americans' career progress. Four Kellogg leaders of Asian heritage shared their experiences overcoming stereotypes and limitations.

Finally, KMERG's first chapter outside of Battle Creek was launched in 2015 at the Cary Bakery in North Carolina. The bakery has a very diverse workforce, with almost 50 nationalities represented.

EMPLOYEE RESOURCE GROUPS





K-PRIDE & ALLIES **ADVOCATES FOR EQUALITY**

n June 2015, a landmark Supreme Court ruling made gay marriage the law of the land in the United States. Within 10 minutes, Kellogg Company published an announcement in support of the ruling, and a couple days later, the company hosted a Marriage Equality Celebration, attended by Kellogg Chairman and CEO John Bryant and other senior leaders.

"To feel like our company is behind us, celebrating with us - for K-Pride & Allies members this is huge," said Cheryl G., Senior Packaging Engineer.



K-Pride & Allies has been actively advocating for LGBT equity within the company for six years. The group launched its first chapter outside the U.S., in Querétaro, Mexico, in 2016.

"Sometimes Kellogg management has asked to be educated about LGBT issues," said Kathy G., Principal Nutrition Scientist. "That kind of education is a key role we've played as a group."

K-Pride & Allies has also been playing an important role outside of Kellogg. In 2014, they launched the Regional LGBT and Allies Summit, which brings together representatives from other Michigan-based companies to talk about key issues. The second-annual summit was held in September 2015 at Kellogg headquarters in Battle Creek, Michigan, and included companies such as Ford, General Motors, Dow, Whirlpool and more.

Reflecting on the last six years of K-Pride & Allies, Cheryl said: "It's been a journey, for sure, to see how K-Pride has 'grown our company up.' And it's important work. Being on the leadership team, it's not uncommon for someone to come to us - someone who is gay but not 'out' publicly - to applaud the work we are doing. They give us the passion to continue."



KVETS & SUPPORTERS FOCUSES ON RECRUITMENT AND RECOGNITION



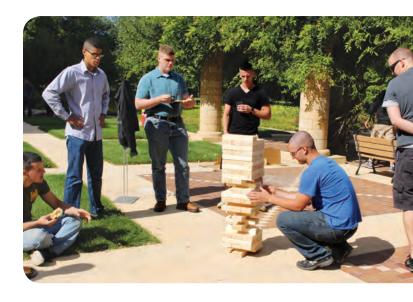
/ Vets & Supporters (KVS) has a strong focus on recruiting veterans to join the Kellogg workforce. This is in part because Kellogg Company is working toward internal goals for veteran employment, but also because the ERG has strong support from individuals involved in talent acquisition at Kellogg.

Mike S., for example, is an Equal Employment Opportunity and Affirmative Action Specialist at Kellogg. And he argues there's a third and even more important reason for KVets & Supporters' focus on recruitment: "Veterans just make good employees."

"Veterans come to us with an understanding of how to think independently, be strategic, work as a team and be accountable," said Mike. "Some military experience – such as that in logistics – is a direct fit with Kellogg jobs. But even if the exact job is different, the skills and values are transferable. The trick, sometimes, is convincing hiring managers of that."

Kellogg has hired an increased number of veterans every year since KVS was founded three years ago, and Mike said this is in part due to the ERG's efforts. KVS representatives have hired several individuals through career fairs at military service academies, for instance.

Of course, KVS isn't just about recruitment. It's also about recognizing and appreciating veterans for what they've given to their country. In September 2015, KVS sponsored Family Day – a barbecue picnic lunch for more than 300 U.S. Marines and their families, held on the lawn at Kellogg headquarters. The group also sends care packages to Kellogg employees who are currently deployed and holds special celebrations for Veterans Day and Memorial Day.



EMPLOYEE RESOURCE GROUPS





WOK INCREASINGLY ADDS VALUE TO THE BUSINESS

omen of Kellogg (WOK), Kellogg's largest ERG, V has long provided female employees with a wide range of networking and career development opportunities.

"For me personally, when I joined Kellogg, WOK was a fantastic way for me to build my network," said Krissy Glass, Vice President, Customer Supply Chain. "It has enabled me to interact with other Kellogg employees at all levels, in all corporate functions. It's a great opportunity."

Increasingly, the group is also finding ways to be a resource for the company.



In late 2015, for example, WOK partnered with the Special K® brand marketing team to provide feedback on a proposed brand relaunch. "Partnering with WOK allowed us to guickly survey all 1,500 WOK members to gain broader perspectives on key topics for the brand," said Sara S., Senior Manager, U.S. Insights and Planning.

WOK also sponsored additional phases of its job shadowing program in 2015, through which more than 100 WOK members spent a day following employees in other functions and roles. "Job shadowing is a great personal development tool," said Krissy, "yet it also benefits the business, as it enables employees to identify roles that may be a good fit for their skill set and future interests, while helping build bench strength within the organization."

WOK is the company's first truly global ERG, with chapters in every Kellogg region. As such, the group's events are often made available globally through video conferencing. In 2015, the group sponsored several WOK Talks events, for example, that saw participation by Kellogg employees worldwide via video link. Recent WOK talks have featured Kellogg Board Members Cynthia Milligan, Ann McLaughlin Korologos and Gordon Gund.



YP REBRANDS, GROWS, STRENGTHENS APPROACH



oung Professionals (YP) had a busy year – one I focused on rebranding and repositioning the group for creating an even bigger impact on the business in the years to come.

"We have an opportunity to help our young professionals grow and develop, as they will become the Kellogg leaders of tomorrow," said Erica W., Training Delivery Associate, Global Sales Learning and Development. "Also, there is a tremendous opportunity for YP to deliver insights back to the business that could drive Kellogg forward."

The rebranding process involved developing a new vision, mission, tagline, priorities and logo. The new vision is: "Evolving Young Professionals to lead with a global mindset and the soul of an entrepreneur."

The motivation for the rebranding was membership growth and increased engagement. "We have 10 branches around the U.S. and a membership that's more engaged than ever," said Erica. "That made us want to look at who we are and where we want to focus."

As part of the repositioning, YP is seeking to draw on the perspectives of YP members to drive business growth. "Millennials are increasingly important to our industry and our company," said Amanda O., Associate Manager,

Customer Marketing, Morning Foods. "As the ERG that is representative of this expanding age group, it is important to be heard."

In 2015, one way YP sought to have its voice heard was having each chapter develop a case study about the importance of millennials to the business. The Battle Creek YP chapter, for instance, conducted research about different types of millennials and their buying habits, making the point that the generational cohort is not homogenous and should not be treated as such by marketers. The group shared its findings with the Kellogg business during an event at our headquarters. They plan to seek additional ways to provide insights to the business going forward.











THE KELLOGG COMPANY **DIVERSITY AND INCLUSION TEAM**

Left to right: Mark King, Noel H., Carol L., Luis S., Sarah B. and Kristin M.























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