



*Nurturing*

• OUR PLANET •

RESPONSIBLE SOURCING ANNUAL MILESTONES

*Kellogg's*

REPORTING YEAR 2018

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Please see [our 2018 Sustainable Palm Milestones Report](#) for more information about our progress on palm oil.



## GLOBAL SUSTAINABILITY COMMITMENTS

### RESPONSIBLE SOURCING

**Ingredients / Materials**  
Responsibly source priority 10 ingredients by 2020  
Validate social compliance with suppliers

**Sustainable Agriculture**  
Support 500,000 farmers by 2025, focusing on Climate Smart Agriculture to improve livelihoods

**Smallholder Farmers**  
Help improve livelihoods for 15,000 smallholder farmers in regions from which we source

**Women Farmers / Workers**  
Identify women in the value chain & develop programs to help improve their livelihoods, families and communities

### CONSERVING NATURAL RESOURCES

**Energy**  
By 2020, expand low carbon energy use in plants by 50% and reduce energy, GHG in plants by an additional 15%\*  
By 2050 reduce GHG from our operations by 65% and work with direct suppliers to help reduce their GHG by 50%

**Packaging**  
By 2025, 100% reusable, recyclable or compostable packaging & continue 100% recycled or certified sustainable timber-based material

**Water**  
By 2020, implement reuse projects in at least 25% of plants, reduce usage by additional 15%\* and continue watershed quality support

**Waste**  
By 2020, reduce total waste in plants by 15%\*

\* Per metric tonne food produced  
Commitments are v. 2015 baseline  
Goals released August 2014, updated October 2018  
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# Responsible Sourcing Annual Milestones

Reporting Year 2018

*Nurturing Our Planet*

Progress Toward Responsible Sourcing Through Continuous Improvement and Direct Investment



As a global food company, Kellogg Company knows we play an important role in the interconnected issues of health and wellness, climate resilience and food security. Kellogg has committed to responsibly source its priority ingredients and support agriculture, which is smart for our climate and smart for growers.

This commitment will enable improved resilience to impacts from things such as weather events or market shocks, productivity, particularly for smallholder farmers, and reduction of greenhouse gas emissions. This data collection helps Kellogg better understand risk and opportunities in our supply chain and build programs with farmers.

In-scope ingredients defined by major purchased commodity, representing over 80% of total global use. More information can be found here: [Kellogg Company Global Sustainability Commitments Goals](#)



# How We Source Responsibly

Reporting Year 2018

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To meet the global needs of our consumers, we partner with suppliers, manufacturers, contractors, joint venture partners, agents, distributors, and consultants. Each is a supplier to our company, and we hold all our suppliers to the same high standards of business integrity to which we hold ourselves.

For details, please see our [Global Supplier Code of Conduct](#).



Number of In-Scope Suppliers



Number of Countries Represented



Number of Farmers Tracking Continuous Improvement



Total Hectares Measuring Continuous Improvement



Farmers surveyed who are women



Percent of farmers surveyed with <2 HA

## CONTINUOUS IMPROVEMENT

For row crops like corn, wheat, rice, potatoes, fruits, and sugar beets, we are committed to responsibly source our ingredients by measuring continuous improvement at the field and farm level across key environmental and social indicators of sustainable, responsible agriculture.

In partnership with our suppliers, we use industry-standard tools like **Field to Market's Fieldprint® Calculator**, the **Cool Farm Tool**, and **Sustainable Agriculture Initiative's Farmer Self-Assessment** to document continuous improvement. Where satisfactory industry tools are not available, we use the **Kellogg Grower Survey**, an online tool we developed to document and measure on-farm management decisions with farmers over time. Each year, we collaborate with suppliers, project partners, and farmers to collect these data, which help Kellogg demonstrate when farmers are good stewards and identify opportunities with suppliers and farmers to support improvements.

We also develop programs to help farmers implement climate smart agriculture practices and to support farmer and worker livelihoods. These partnerships vary by crop, region, and farmer needs, employing a range of research, technical assistance, and other benefits. For more information, see "Supporting Farmers" and our results by commodity and topic.

## DIRECT INVESTMENT

For crops like sugar cane, palm oil, cocoa, and vanilla, Kellogg is committed to responsibly source our ingredients using certification and/or direct investment in the places where the ingredients are grown. More information on these investments and programs can be found in our reporting results by commodity.

**Our continuous improvement programs can track these key performance indicators:**

- Number of farmers reached
- Optimization of agricultural inputs
- Greenhouse gas emissions
- Water use optimization
- Soil health improvement
- Use of key conservation practices



## Support 500,000 farmers, their families, and communities with Climate Smart Agriculture practices

As part of our *Breakfasts for Better Days*<sup>TM</sup> commitments, to help address Food Security and U.N. Sustainable Development Goal 2, we are committed to supporting 500,000 farmers, their families and their communities with Climate Smart Agriculture (CSA) practices to increase yields, improve climate resiliency and reduce post-harvest food loss by 2025. Kellogg has assessed the [number of smallholder and women farmers](#) in our priority supply chains.

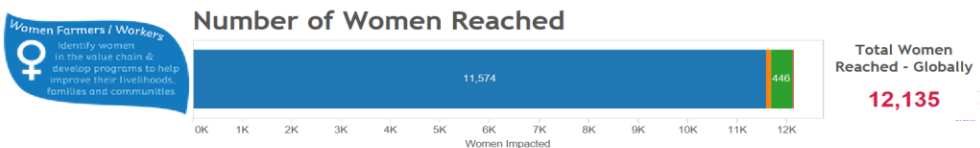


## SUPPORTING FARMERS

As of 2018, we have reached over 320,000 farmers through programs, research and technical assistance. Because we purchase our ingredients from suppliers, who process raw materials into ingredients, Kellogg partners with a variety of suppliers, NGOs, research institutions, and others to support farmers in our sourcing regions. Programs vary by crop, region, and farmers' specific needs, with shared goals of improving yields, increasing climate resiliency, and reducing greenhouse gas (GHG) emissions.



### Responsible Sourcing Farmer Commitments



Although smallholder farmers grow a small percent of the ingredients we purchase, we know smallholders are disproportionately affected by climate change. That's why we committed to support 15,000 smallholder farmers in our direct supply chain to help improve livelihoods, resiliency, and adoption of CSA practices. We surpassed our 2020 goal in 2017 and we reached over 26,000 smallholders by 2018.

We also recognize how critical women are to agriculture across the world. We committed, by 2020, to develop programs that support their needs. As of 2018, we have reached over 12,000 women with these programs.

**RESPONSIBLE SOURCING  
ANNUAL MILESTONES**

**REPORTING  
BY COMMODITY**



***Kellogg's***

**REPORTING YEAR 2018**

**Our Commitment: Source corn grits responsibly by 2020 by measuring continuous improvement at the farm level on environmental and social indicators, including soil health, greenhouse gas emissions, and fertilizer efficiency**



## KELLOGG'S ORIGINS™ PROJECTS FOCUSED ON FARMER LIVELIHOOD AND CLIMATE SMART AGRICULTURE

### RESPONSIBLY SOURCED CORN

In 2018, we worked with **DACSA**, our regional corn supplier in Europe, and farmers in Argentina to move to using responsibly sourced corn for all *Kellogg's Corn Flakes*® sold in Europe. This means that it's produced with corn grown and harvested in accordance with environmental and social best practices, verified by an independent, third-party auditor.

We shared this news in 2019, with the message '[Responsibly Sourced Corn](#)' appearing on the front of all *Kellogg's Corn Flakes*® cereal sold in stores across the region. We also shared the [standard](#) we developed, modelled on those used by well-recognized, international non-governmental industry groups, to determine that the corn was sourced responsibly.

We also continue *Kellogg's Origins*™ projects with corn growers in Mexico, South Africa, Argentina, India, and the Midwest.



### IMPROVING CROP PRODUCTION AND FARMER RESILIENCE IN INDIA

Kellogg partnered with **TechnoServe** to improve smallholder farmer livelihoods and resilience in the State of Madhya Pradesh, India, between December 2015 and July 2018. Over three project phases, farmers producing field crops, including maize, were trained on three areas of Climate Smart Agriculture (CSA): farm productivity, farm resilience, and impact of the farm on the environment.

#### Final results:

- 7,857 male farmers trained on agronomy, judicious fertilizer use, agroforestry, integrated pest management, and other practices
- 4,333 female farmers trained in organic kitchen gardening (OKG)
- Farm revenue grew by over 20% in phases 1-2, over 40% in phase 3.
- OKGs led to higher family intake of organic and nutrient-filled vegetables, and created a source of additional income.
- By final project phase, >70% of farmers used organic pest repellent, and only 33% of the farmers were using chemical pesticides.
- TechnoServe helped Farmer Producer Companies develop more sustainable markets for local producers.

**Our Commitment: Source wheat berries and wheat flour responsibly by 2020 by measuring continuous improvement at the farm level on environmental and social indicators including soil health, greenhouse gas emissions, and fertilizer efficiency**



COUNTRIES WITH FARMER PROGRAMS

**KELLOGG'S ORIGINS™ PROJECTS FOCUSED ON FARMER LIVELIHOOD AND CLIMATE SMART AGRICULTURE**



We also continue Kellogg's Origins™ Projects with wheat growers in the United Kingdom, Mexico, and the Pacific Northwest.

**GREAT LAKES WHEAT PROGRAM**

In 2015, we launched our award-winning Kellogg's Origins™ Great Lakes Wheat Program to track continuous improvement in key environmental sustainability indicators in Kellogg's soft white winter wheat supply chain in Michigan's Saginaw Bay region. We partner with wheat farmers, Syngenta, and The Nature Conservancy to help farmers document on-farm sustainability improvements and encourage implementation of best practices. **In 2018, 17 farmers documented their performance across over 10,000 acres.**

**In November 2018, Kellogg was proud to congratulate Justin Krick for receiving Field to Market's Farmer Spotlight Award.** Project partners nominated Justin to recognize not only the best practices like cover crops his family implements on their farm, but also Justin's leadership and advocacy for sustainable agriculture as a Certified Crop Advisor in his community.

Kellogg will expand this successful program as part of our Supporting U.S. Farmers partnership with the Nature Conservancy, launching in 2019.

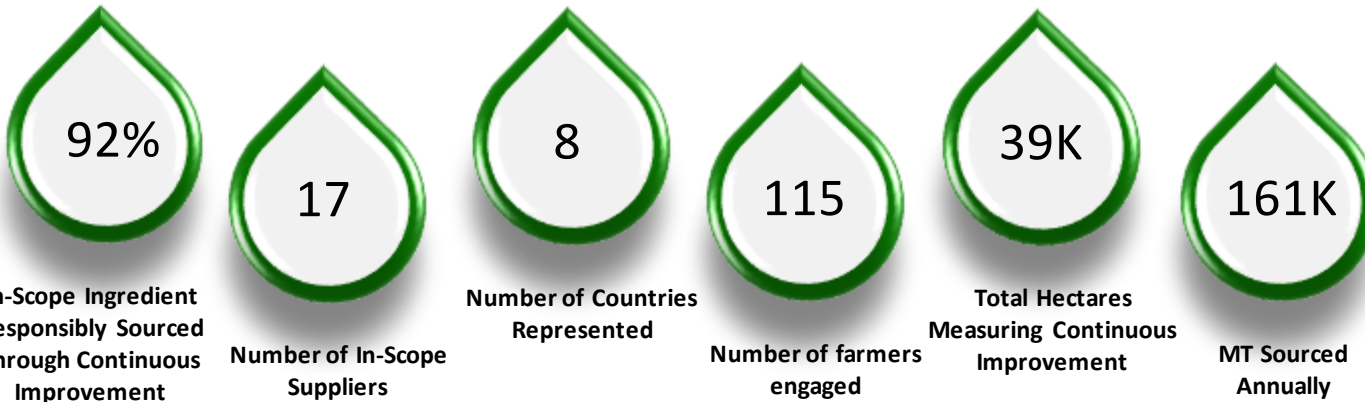
**NEW U.S. PROJECTS LAUNCHED IN 2018**

In the United States, Kellogg piloted two new Fieldprint® projects with wheat growers:

- We partnered with Ardent Mills to kick off the **Stockton Wheat Fieldprint® Project** in California.
- We began **engaging soft red wheat growers in Michigan and Ohio** to measure and track continuous improvement at the farm and field level using Syngenta's Land.db farm management software. The environmental performance metrics track multiple field-level efficiency indicators, aligned to Field to Market.



**Our Commitment: Source whole and broken rice ingredients responsibly by 2020 by measuring continuous improvement at the farm level on environmental and social indicators including soil health, greenhouse gas emissions, water use, and fertilizer efficiency**



**KELLOGG'S ORIGINS™ PROJECTS FOCUSED ON FARMER LIVELIHOOD AND CLIMATE SMART AGRICULTURE**



We continue *Kellogg's Origins™* projects with rice growers in Italy, Spain, Thailand, and the Mississippi River Basin.

In 2018, we also began a partnership with the Cool Farm Alliance and the University of Aberdeen to refine the Cool Farm Tool's rice module to better estimate greenhouse gas emissions from rice production in temperate regions.

**EGYPTIAN RICE AND CLIMATE RESILIENCY**

In 2016, Kellogg partnered with **ACDI/VOCA** and other organizations to launch the **Improving Incomes and Climate Resiliency (IICR) pilot to support 550 Egyptian smallholder rice and date farmers**. Rice is a traditional stable crop and a source of food security in Egypt. It is also one of the most environmentally taxing commodities, second only to sugar cane for water consumption, which in Egypt's arid climate places a burden on an already limited resource.

By the pilot's end in 2018, the project increased farm incomes, introduced climate-smart practices to address production inefficiencies, supported income diversification through crop rotation, and connected reliable rice supply chains to high-value markets. Project partners also introduced farmers to a new rice variety with better productivity, reduced production cost, and drought and disease resistance.

**Final results:**

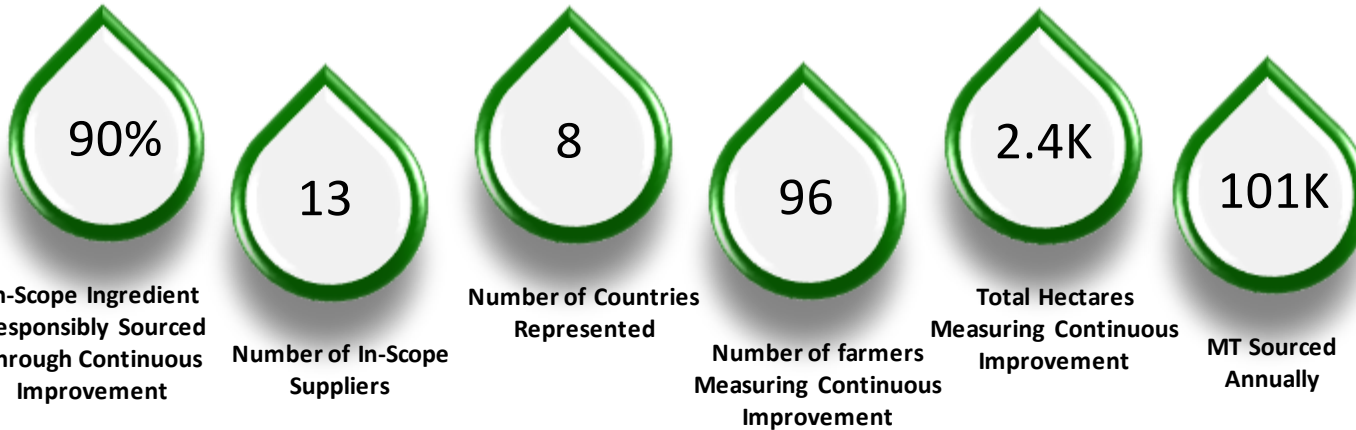
- 300 rice farmers, including 75 women, directly engaged
- 172.1% increase in household income
- Reduced water use and irrigation cost with both traditional and new rice varieties
- 48% productivity increase and nearly 40% increase in rice sold in high-end value chains
- Empowerment of local women to participate actively and fairly in training and supply chain activities
- Farmers streamlined chemical and pesticide use significantly during the second season as a result of project support.

# Potatoes

Reporting Year 2018

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**Our Commitment: Source potato flakes responsibly by 2020 by measuring continuous improvement at the farm level on environmental and social indicators including soil health, greenhouse gas emissions, and fertilizer efficiency**



COUNTRIES WITH FARMER PROGRAMS

## KELLOGG'S ORIGINS™ PROJECTS FOCUSED ON FARMER LIVELIHOOD AND CLIMATE SMART AGRICULTURE

### BANGLADESH POTATOES

One of the poorest countries in the world, Bangladesh has numerous political, economic, social and environmental challenges. However, Bangladesh is among the top four potato producers in Asia, and potatoes were its second largest agricultural crop in 2017. We are working with smallholder potato farmers for use in Pringles for the Asian market.

In 2014, Kellogg and **SEBA Limited** worked directly with smallholders to help improve farming methods that improved yields and boost incomes. Farmers received training and new techniques, and were given access to new markets. **Cumulatively, this partnership has directly engaged over 2,300 smallholder farmers, about 10% of whom are women. In 2018, at least 10 demonstration farms** were available for farmers to share the results of their training with their peers.



### EUROPEAN POTATOES

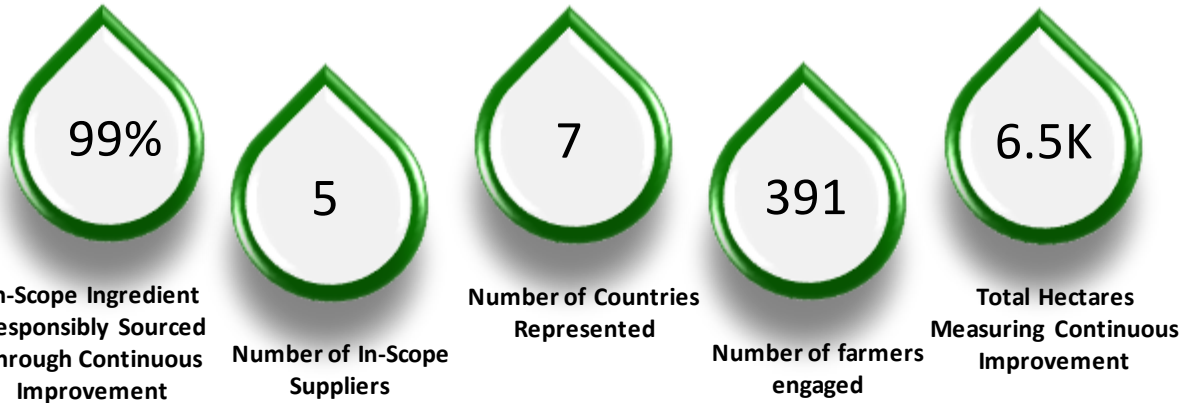
For several years, we have collaborated with **Farm Frites** to engage with potato growers in Europe. Using the **Cool Farm Tool**, Farm Frites assesses the greenhouse gas (GHG) emissions of potato production in The Netherlands and Belgium.

**In 2018, 10 farmers documented their management practices and estimated GHG emissions from over 113 hectares.**

In addition, we appreciate continued partnership from all of our European potato suppliers, given intense drought pressures in the region during the year.



**Our Commitment: Source raisins, sultanas, and freeze-dried strawberries responsibly by 2020 by measuring continuous improvement at the farm level on environmental and social indicators including soil health, greenhouse gas emissions, and fertilizer efficiency**



COUNTRIES WITH FARMER PROGRAMS

## KELLOGG'S ORIGINS™ PROJECTS FOCUSED ON FARMER LIVELIHOOD AND CLIMATE SMART AGRICULTURE



### EGYPTIAN DATES AND CLIMATE RESILIENCY

In addition to training smallholder rice farmers in Egypt, Kellogg's three-year climate resiliency partnership with **ACDI/VOCA** (page 9) **trained date farmers in Bahariya Oasis in climate-smart agriculture (CSA) practices** to improve livelihoods and crop quality. Farmers received technical assistance in integrated pest management, irrigation and nutrient planning, and improved pruning and canopy management.

Due to limited training, date processing facilities this region produce low-quality products. To address this issue, IICR also added capacity building trainings and activities for workers at date processing facilities into this program.

#### Final results:

- **Trained 250 smallholder date farmers, including 90 women.**
- **Average tree price for dates increased from 715 to 735 EGP.**
- **Per unit productivity increased by 41%.**
- **Postharvest loss decreased by 58%.**
- **Farmers received 5 trainings to produce chemical-free dates using biological pest control programs.**

### STRAWBERRIES

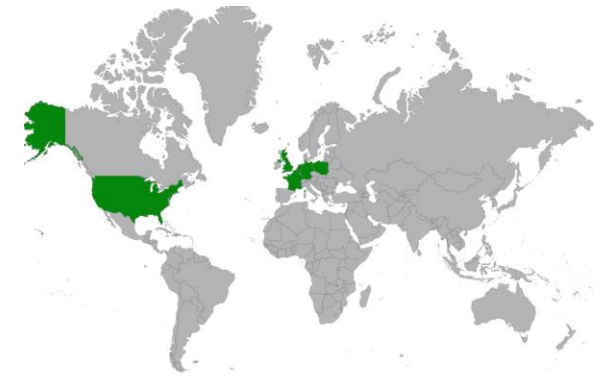
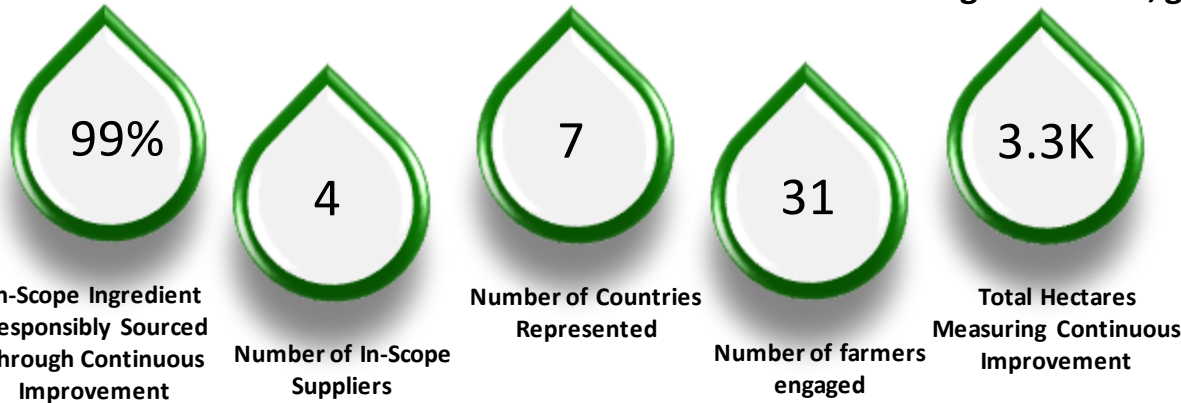
In 2017, Kellogg partnered with strawberry supplier **Chaucer** to participate in their annual Supplier Day and training event (left), providing three training sessions on strawberry seedling cultivation, pesticide control, and food safety. In 2018, we continued our partnership, engaging strawberry growers in the Kellogg Grower Survey.

### CALIFORNIA RAISINS

Kellogg continues to partner with California raisin suppliers like **Sun-Maid** to support continuous improvement in environmental metrics including water use and fertilizer optimization. Sun-Maid farmers are focused on implementing sustainable farming practices such as drip irrigation and mechanical harvesting to reduce waste.



**Our Commitment: Source granulated sugar from sugar beets responsibly by 2020 by measuring continuous improvement at the farm level on environmental and social indicators including soil health, greenhouse gas emissions, and fertilizer efficiency**



COUNTRIES WITH FARMER PROGRAMS

## KELLOGG'S ORIGINS™ PROJECTS FOCUSED ON FARMER LIVELIHOOD AND CLIMATE SMART AGRICULTURE

### U.S. SUGAR BEETS

In 2017, Kellogg joined our supplier **United Sugar (American Crystal Sugar)** and General Mills to engage sugar beet farmers in the Red River Valley of Minnesota and North Dakota, the largest sugar beet growing region in the United States, in measuring continuous improvement using the *Fieldprint*® Calculator. In 2018, Barry Callebaut joined the collaboration.

**During 2018, the partnership reached 31 farmers across 24,000 acres, with about 8,000 acres representing Kellogg's sourcing volume.** Through this partnership, Kellogg will continue to work with all partners to grow the reach of the project and provide feedback on results to participating farmers.



### EUROPEAN SUGAR BEETS

Kellogg, as a member of **SAI Platform**, participates in the **Farm Sustainability Assessment (FSA)** to support the production of sustainable agricultural raw materials worldwide. In 2018, SAI Platform successfully completed its five-year [European Sugar Beet Project](#) through direct engagement with farmers and 23 supply chain partners, including Kellogg.

Kellogg continues to work with sugar beet suppliers who select FSA as performance benchmarking tool with farmers in Belgium, France, Germany, the Netherlands, and Poland.

#### Past results:

- All European sourced sugar beets are from farms that have achieved SAI Silver or higher rating, or equivalent (e.g. REDCert2)
- More than 300 soil tests conducted for soil health improvement tracking
- Test farms increased annual yield per hectare
- Crop prices increased, resulting in higher profits
- Environmental inputs were reduced

**Our Commitment: Source granulated sugar from sugar cane responsibly by 2020 through industry certifications and continuous improvement programs to improve performance on key indicators.**

Our use of sugar cane is primarily in the Americas and in our Asia Pacific business. Kellogg defines responsibly sourcing sugar cane through a combination of traceability to mill and supply base; transparent mill operations, with continuous improvement programs in place; no worker, community, or environmental grievances reported.

Compliance is verified through:

- Bonsucro certification through direct purchase or credits
- Continuous improvement programs in the wider supply base to improve performance (long term programs esp. for smallholders)\*
- SMETA audit (or equivalent) and demonstration that they are working on improving mill performance as well as continuous improvement programs in their supply base

We have partnered with Proforest to assess compliance to our requirements across global sugar cane supply.

**STATUS OF KELLOGG SUGAR CANE SUPPLY BASE**



- Supply Fully Certified
- Supplier's supply base certified
- Not certified; SMETA audit + improvement programs
- Need to improve programs
- Need more data

**KELLOGG'S ORIGINS™ PROJECTS FOCUSED ON FARMER LIVELIHOOD AND CLIMATE SMART AGRICULTURE**



Addressing risks to the environment, human rights, and smallholder farmers in sugar cane production requires different strategies for each region in which we source sugar cane.



Total Traceable Volume



MT Sourced Annually



Number of In-Scope Suppliers



Number of Countries Represented

**NEW WORK IN INDIA**

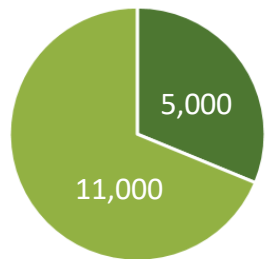
In 2018, launched a 3-year integrated program with **TechnoServe** supporting sugar cane farmers and aging farmers in Madhya Pradesh to improve their economic and social standing. The program builds on the wins of our past partnership in the same state with TechnoServe and field crop farmers, again using organic kitchen gardening training to benefit women in farming households.

**LATIN AMERICA**

Continued participation in an industry group-led project to improve cane cutter working conditions in the Veracruz region of Mexico through improvements to water, rest, and shade. With peer collaborators, industry-group **AIM-Progress**, **La Gloria Mill**, and implementation coordinators **ABC Mexico**, the project built shade shelter tents, increased access to potable water, provided additional personal protection equipment, and facilitated workers best practice training.

**Our Commitment: Source cocoa ingredients through direct investment in the regions in which we source focused on improving farmer livelihoods and climate smart agriculture practices**

Progress to Cocoa Engagement Goal



- Farmers engaged by 2018
- Farmers remaining to reach our goal

Kellogg works with all of our cocoa suppliers to ensure they are addressing the human rights and production risks associated with cocoa supply chains. In 2017, we explored several programs with these suppliers to improve the industry with implementation plans in 2018.

1. Improve smallholder productivity, household income and food security within cocoa and other value chains, and reducing forest clearing for agricultural lands;
2. Strengthen cocoa and other value chains by building climate resilience and adaptive capacity of smallholders;
3. Increase private sector commitment to sustainable and deforestation free sourcing of agricultural products;
4. Foster an improved business environment for small and medium enterprises through better coordination and transparency within the sector's governance structures.

Based on current figures, we sourced an estimated 43,000 metric tons of procured ingredients containing cocoa or chocolate, over 70% of which came from Côte d'Ivoire, Ghana, Ecuador, and Indonesia. We sourced a majority of these ingredients from Barry Callebaut, Olam, and Cargill, with whom we have sustainability programs. We are assessing impacts to our cocoa goals after our [2019 announcement](#) to sell Keebler cookies and related businesses to Ferrero. While we expect our cocoa product use to decrease significantly in some regions, our commitments to responsible sourcing and farmer support remain.

**KELLOGG'S ORIGINS™ PROJECTS FOCUSED ON FARMER LIVELIHOOD AND CLIMATE SMART AGRICULTURE**

**GENDER TRAINING COTE D'IVOIRE**

- In 2015 Kellogg partnered with **ASDA**, **Cargill** and **CARE** to address barriers faced by women in cocoa farming communities and provide better access to training. Women farmers represent nearly half of Africa's agricultural workers and are critically important to developing the full potential of African agriculture and food security.
- The work included a study of gender roles along the cocoa value chain in Cote d'Ivoire. The study discovered how women's roles in cocoa production are perceived by both men and women, along with several practical barriers preventing women from attending trainings, accessing productive resources, taking leadership roles in cooperatives, and realizing their full potential and agency.
- Building on these findings, Kellogg and CARE developed an assessment tool for suppliers to evaluate their own awareness of, and practices toward, supporting gender equity on-farm, in cooperatives, and within their own operations. Kellogg suppliers are encouraged to incorporate the assessment tool into sustainability programs and sourcing practices to drive improvements in gender equity within the cocoa supply chain. Through this work, Kellogg aims to contribute to broader goals of increasing opportunities for women, improving livelihoods, increasing production, and supporting resiliency.
- Supports UNSDG #5 (Achieve Gender Equality and Empower all Women and Girls) and Kellogg's commitment to support women farmers and workers by building a strategy to influence gender equity and norms at the supplier and farm level within the cocoa supply chain

**ECUADOR CLIMATE SMART AGRICULTURE TRAINING**

In 2018 Kellogg and **Olam** partnered to support the livelihoods of farmers and communities in Ecuador. This project aims to benefit 3,000 farmers over three years. Training and materials will be provided to 1,000 farmers per year through farmer field schools and dissemination of training materials and on the ground workshops. The goal of this program is to provide farmers with knowledge beyond just cocoa crops and aid communities in crop diversification and increasing yields of food staples for community use.

**2018 Results**

- 43 Farmer Field Schools held on managing cocoa seedlings nursery
- 26 Farm Field Schools on managing vegetable nurseries
- 758 farmers (incl. 302 women) received training materials, attended workshops
- 5 nurseries built , producing 3,500 plants
- 8 vegetable nurseries established





Building on Kellogg’s partnership with WBCSD, and efforts to support climate smart agricultural practices across our supply chain, we are happy to support the expansion of project “CocoaCloud.”



The **CocoaCloud** program, in partnership with **Kukua**, began as a pilot to mitigate the adverse effects of climate change by bringing weather information to cocoa farmers, improving their ability to respond to changes and patterns.

**In 2018, this program was piloted with 500 smallholder farmers in the wider community of 7,500 people in Western Region, Ghana.** In 2019, WBCSD and Opus Insights announced **CocoaCloud**, calling for private sector partners to invest in an expanded, precompetitive agritech initiative to scale operations of this program with network coverage across key growing areas of Ghana and Côte D’Ivoire. **CocoaCloud is projected to reach one million famers in this region.**

### THE NEED

- The West African cocoa belt suffers from an acute lack of easily accessible, accurate weather data in key growing areas
- This prevents essential agricultural management decisions by farmers
- This issue is exacerbated by unpredictable weather due to climate change and coastal West Africa is forecast to see unpredictable rainfall and increasingly unsuitable growing conditions in the coming years.
- CocoaCloud is a key solution that helps farmers to adapt their practices in light of a changing climate, and helps them to produce more per hectare and become more resilient to climate extremes.

### THE PROGRAM

- Pre-competitive data platform and impact initiative to strengthen agricultural productivity and climate resilience in the West African cocoa landscape.
- Generates, translates, and disseminates critical information – such as weather forecasts and location-specific agricultural advice – that support ‘climate smart’ decisions for agriculture.
- Supports farmers, extension advisors and community members by providing training and localised weather forecasting services (including mobile phone alerts) to boost agricultural productivity.

### IMPACT TO DATE

- The initiative is already supporting 7,500 cocoa farmers, extension advisors and wider community members in the Western Region of Ghana



## Our Commitment: Source in-scope vanilla ingredients through direct investment in the regions in which we source focused on improving farmer livelihoods and climate smart agriculture practices

Although Kellogg buys a small amount of natural vanilla, we are committed to ensuring the vanilla we do source is grown responsibly, focused on improving farmer livelihoods.

In 2018, Kellogg chose to partner with vanilla supplier Symrise in a three-year partnership to support 1,000 vanilla producers in Madagascar. We intend this work to meet 100% of our vanilla sourcing commitment by 2020.

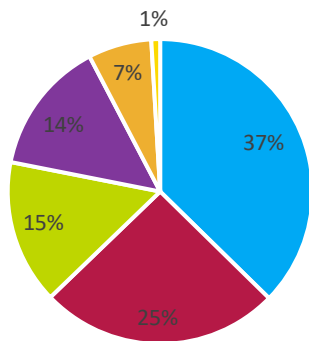
Starting in 2019, the partnership will focus on farmers across an estimated 20 villages in Ankavanana, Madagascar, a remote region prone to high soil erosion due to slash and burn practices. Goals include improved vanilla productivity, reduced food insecurity, and improved farmer livelihoods through adoption of climate smart agriculture practices and access to financing and financial training. Activities will include:

- Farmer Field School / Farmer Business School
- Sustainable Farm Management Advisory Services protecting against deforestation and encouraging reforestation
- Direct community support, focused on support for elementary schools and empowerment of women in farmer and community associations



COUNTRIES WITH FARMER PROGRAMS

## 2018 GLOBAL EGG USE BY KELLOGG BRANDS



■ RXBAR ■ Eggo ■ MorningStar Farms ■ Special K ■ Cookies ■ Other

## Our Commitment: Source 100% Cage-Free eggs by the end of 2025

We use eggs in some of our foods, including RXBAR, *Eggo*® frozen breakfast foods, and other brands. We continue to focus our efforts on sourcing eggs from suppliers utilizing enriched colony hen housing and cage-free options that measure impacts on animal welfare, food safety, worker and employee welfare, and the environment. To enhance this work, we are committed to reach 100% cage-free eggs by 2025. In 2018, nearly 3.3 percent of the eggs we sourced were cage-free.

In 2019, *MorningStar Farms*® announced its commitment to convert the entire portfolio to be [100 percent plant-based \(vegan\) by 2021](#), reducing the use of over 300 million egg whites annually. Roughly 50% of the portfolio has already been transitioned. *Off the Grid*® waffles, which launched in 2019, are also made with 100% cage-free eggs. We are assessing future impacts to our egg volumes after our [2019 announcement](#) to sell Keebler cookies and related businesses to Ferrero. While we expect our volumes to decrease in some regions, our commitment to responsible sourcing will remain.



# Packaging

Reporting Year 2018

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In 2018, we announced our commitment to expand our Global Sustainability Commitments to include our new [goal of working towards 100 percent reusable, recyclable or compostable packaging by the end of 2025](#). This aspiration builds on Kellogg's current sustainable packaging commitment, as part of its Sustainability 2020 goals, to continue to ensure 100 percent of all timber-based packaging is either recycled or certified as sustainably sourced.

In 2018, we sourced nearly 640,000 tons of timber-based packaging, 65% of which was recycled and 32% certified. We shared in our most recent CDP Forests response that we had sourced timber-based packaging from Australia, Brazil, Canada, Chile, Colombia, France, Germany, India, Japan, Malaysia, Mexico, South Africa, Thailand, and the United States.



# Postharvest loss and food waste

Reporting Year 2018

*Nurturing Our Planet*

**Our Commitment: Reduce total waste, with a focus on food waste, in our manufacturing facilities by 15% by 2020\***

Kellogg was one of the first U.S.-based companies to join **Champions 12.3** and to become a **U.S. Food Loss and Waste Champion**.

In 2018, we achieved a **12% reduction in food waste within our Kellogg manufacturing operations compared to our 2016 baseline**, measured by the Food Loss and Waste protocol.

Our **three-year collaboration with ACDI/VOCA** in Egypt with **smallholder farmers** also helped **reduce postharvest date losses by 58%**, as reported by a 25% sample of the project's beneficiaries.

As a global food company, we believe we have a significant role to play in helping to end hunger, achieve food security, improve nutrition and promote sustainable agriculture. In doing so, we are committed to supporting the **U.N. Sustainable Development Goal 2**. We also do our part to halve per capita global food waste at the retail and consumer level, and to reduce food losses along the production and supply chains including post-harvest losses by 2030, which supports **U.N. Sustainable Development Goal 12.3**.

We contribute in four important ways:

- **FARMING:** Reducing post-harvest loss so that more of the food that is grown is consumed.
- **MAKING OUR FOOD:** Eliminating food waste in our processes, capturing it instead to feed people in need, and when that use is not appropriate, ensuring it is used for animal feed.
- **REACHING OUT TO CONSUMERS:** Standardizing food date labels and educating consumers if food is safe to consume, as well as delivering tips and packaging innovation to help them reduce unnecessary food waste.
- **SHARING WITH COMMUNITIES:** Using our global signature cause platform, **Breakfasts for Better Days™** to assure our food also goes to help those in need either due to natural disasters or chronic hunger in communities we support around the world.

\* per metric ton of food produced

Kellogg has participated in **six Regional Conservation Partnership Program (RCPP) projects across the Midwest and rice belt in the United States**. These programs support soil health practices, watershed health and improved habitats with matching public and private funds and in-kind support for farmers and conservation partners. Across these RCPP projects, USDA has made over \$34 million available for farmers to invest in conservation practices. As such, Kellogg advocates for federal policy in support of public-private partnerships and conservation investments.

Kellogg co-chairs the **Midwest Row Crop Collaborative (MRCC)**. This diverse coalition works to expand agricultural solutions that protect air and water quality and enhance soil health in the Midwest while remaining committed to producing enough food to feed the growing global population. Through Kellogg's leadership in the MRCC, we have supported the work of two **Regional Conservation Partnership Program (RCPP) projects** in the Midwest:

- **Midwest Agriculture Water Quality Partnership**, managed by the **Iowa Department of Agriculture and Land Stewardship (IDALS)** and the **Iowa Agriculture Water Alliance (IAWA)**.
- **Precision Conservation Management: A Farm Enterprise Approach to Promoting Conservation Practices**, managed by the **Illinois Corn Growers Association**.

## RCPP PROJECT IN MICHIGAN'S MAPLE RIVER WATERSHED

In 2018, Kellogg became a sponsor for the **Maple River Watershed Fish Habitat Improvement** project, managed by **Michigan State University's Institute of Water Research (MSU IWR)**. The project aims to improve inadequate fish habitat in the Maple River Watershed by implementing conservation aimed at improving stream baseflow and temperature. The partnership includes 14 partners, government agencies, private industry, nonprofits, and agricultural associations, and will improve fish habitat and water quality through a variety of on-farm conservation measure such as no till, buffer strips, and drainage management.

Kellogg sources a portion of its soft red wheat volumes from growers within the Maple River watershed. We intend to help connect these growers, whom we engage in partnership with Syngenta, to the benefit opportunities available through the RCPP. In addition, this RCPP project continues to build the capabilities of the Great Lakes Watershed Management System (GLWMS), a web-based tool developed by MSU IWR to quickly and easily estimate the environmental benefits of proposed conservation practices and impacts on sediment loss. The Nature Conservancy also uses GLWMS as part of the Saginaw Bay Watershed Conservation Partnership.

## SAGINAW BAY WATERSHED

The **Saginaw Bay Watershed Conservation Partnership Program**, managed by the Nature Conservancy, is specifically designed to reduce excess nutrients and sediment in regional waterways throughout the Saginaw Bay watershed by employing three innovative strategies:

- Setting outcome-based goals for implementing conservation practices in optimal locations
- Harnessing the influence of agribusiness and crop advisors to deliver conservation practices directly to growers
- Tracking progress using cutting edge online modeling tools

The Nature Conservancy called 2018 a "landmark year" for this work in the Saginaw Bay. Their Michigan annual report [showed nearly 60,000 acres enrolled](#) in the Partnership Program, accounting for nearly all of their 60,000-acre goal, and estimated over 3,800 tons in sediment loss reductions.

As part of our Supporting U.S. Farmers partnership launching in 2019, more farmers in our Michigan-based Fieldprint project will have the opportunity to join the same pay-for-performance model used in this RCPP.

# Forests, Natural Habitat & Pollinator Health

(See [Sustainable Palm Milestones Report](#) for Progress on Palm Oil)

*Nurturing Our Planet*

## Our Commitment: To help achieve zero net deforestation by 2020 through the responsible sourcing of relevant commodities and maintain 100% of timber-based packaging sourced from recycled content or certified sustainable resources

As a member of the **Consumer Goods Forum**, we are committed to help achieve zero net deforestation from tropical forests. Kellogg also supports the [Consumer Goods Forum \(CGF\)](#) resolution to achieve zero net deforestation by 2020 through the responsible sourcing of key commodities relevant to our business including palm oil, paper and pulp, soy and cocoa. Kellogg is a signatory to **the NY Declaration on Forests** and a member of the **Tropical Forests Alliance 2020**. Working together in industry platforms we can achieve more together, voicing consistent expectations to supply sectors.

For our limited soy ingredient sourcing, we are also proud to support the Consumer Goods Forum through the use of the **Sustainable Soy Sourcing Guidelines** to encourage the implementation of strategies that reduce deforestation and support sustainable practices in soy production. We became a signatory to the Brazilian **Cerrado Manifesto** in 2017 and continue to support initiatives that seek to halt conversion of natural habitats associated with soy production in Brazil. Today, Kellogg only sources soy from Brazil for use in our 2017 acquisition, Parati. In 2018, we sourced nearly 3,600 MT of soy ingredients for Parati, about 3.2% of our total volume sourced in North and South America.

Stakeholders have also asked us about our dairy sourcing volumes inasmuch as they relate to deforestation risk. Our most material use of dairy is cheese used in *Cheez-Its*®. In 2018, we sourced nearly 15,000 metric tons of cheese, all of which we sourced from the United States.

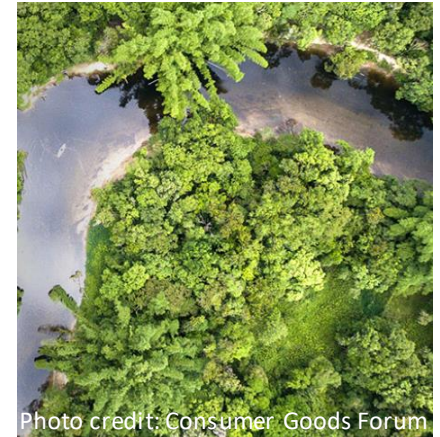


Photo credit: Consumer Goods Forum



Kellogg also recognizes the importance of pollinator health to the world's food supply.

- In 2018, with support from Kellogg, the Honey Bee Health Coalition developed outreach materials, including “The Benefits of Supply Chain Companies Engaging in Pollinator Issues,” to help supply chain stakeholders committed to sustainable agriculture connect their work with honey bee health. The fact sheet outlines how companies working on supply chain sustainability (e.g. water quality, soil health, biodiversity, etc.) can include a pollinator health focus to benefit farmland and pollinators.
- Our **Natural Heritage Initiative**, introduced in 2017 to expand practices that benefit pollinators in our **Kellogg's Origins™ Programme**, continues with participating farmers in Spain and Great Britain. Practices in place include wildflower strips, flowering cover crops, reduced pesticide use, and integrated pest management.
- We look forward to incorporating pollinator support measures in select **Kellogg's Origins™** projects as part of our Supporting U.S. Farmers partnership with the Nature Conservancy, launching in 2019.
- Starting in 2019, we will ask improved questions in the **Kellogg Grower Survey** about measures farmers take to support biodiversity on-farm.