

Particulars

About Your Organisation

1.1 Name of your organisation

Kellogg Company

1.2 What is/are the primary activity(ies) or product(s) of your organisation?

- Palm Oil Grower
- Processor and/or Trader
- Consumer Goods Manufacturer
- Retailer
- Bank and/or Investor
- Social and/or Development NGO
- Environmental and/or Conservation NGO
- Affiliate

1.3 Membership number

4-0033-08-000-00

1.4 Membership category

Consumer Goods Manufacturers

1.5 Membership sector

Ordinary

Consumer Goods Manufacturers

1. Operational Profile

1.1 Please state your company's main activity within the palm oil supply chain.

- Food Good Manufacturer - own brand
- Food Good Manufacturer - third-party brand
- Home & Personal Care Good Manufacturer - own brand
- Home & Personal Care Good Manufacturer - third-party brand
- Ingredient Manufacturers
- Biofuels
- Other

Other

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2. Palm Oil and Certified Sustainable Palm Oil Consumption

Information in Section 2 - Palm Oil and Certified Sustainable Palm Oil Consumption - is a mandatory declaration in your ACOP. This includes volume data on palm oil and palm oil products consumed, to enable the RSPO to accurately calculate uptake on a member, sector and total level. ACOP reports without reported volume data will be considered incomplete and will not be accepted.

2.1 Please list down all operations and subsidiaries using palm oil that are owned and/or managed by the member, including those under Group Membership

Kellogg has 56 facilities that are either fully owned or are joint ventures for which we have majority control. Of these, 35 use palm oil. We also have 20 comanufacturers within our supply chain that use some form of palm oil in operations on our behalf.

2.1.1 In which markets does your company sell goods with palm oil and oil palm products?

Applies globally

2.2.5 Total volume of all palm oil and palm oil products (palm-content only) used in your company's own-brand products and in products produced by your company for third-party brands in the year:

Description	Tonnes
Total volume of crude/refined palm oil (tonnes)	71811.0
Total volume of crude/refined palm kernel oil (tonnes)	2854.0
Total volume of palm kernel expeller (tonnes)	0.0
Total volume of palm oil/palm kernel oil derivatives and fractions (tonnes)	0.0
Total	74665.0

2.2.6 Please estimate the percentage of derivatives and fractions (reported in Question CG.2.2.4) derived from palm oil or from palm kernel oil. The default split for volumes is assumed to be 80% palm oil-based derivatives and 20% palm kernel oil-based derivatives.

Description	Percentage
Palm oil-based derivatives and fractions	96.0
Palm kernel oil-based derivatives and fractions	4.0

2.3 Volume of RSPO-certified palm oil and palm oil products used in your company's own brand products and in products produced by your company for third-party brands in the year (tonnes):

Description	Crude/Refined Palm Oil (CSPO)	Crude/Refined Palm Kernel Oil (CSPKO)	Palm Kernel Expeller (CSPKE)	Certified Derivatives and Fractions
RSPO Credits from Mill / Crusher	13833.0	0.0	0.0	0.0
RSPO Credits from Independent Smallholder	0.0	0.0	0.0	0.0
Mass Balance (MB)	43345.0	2822.0	0.0	0.0
Segregated (SG)	0.0	14665.0	0.0	0.0
Identity Preserved (IP)	0.0	0.0	0.0	0.0
Total	57178.0	17487.0	0.0	0.0

2.3.1 Please estimate the percentage of RSPO-certified derivatives and fractions (reported in Question CG.2.3) derived from RSPO-certified palm oil or from RSPO-certified palm kernel oil. The default split for volumes is assumed to be 80% palm oil-based derivatives and 20% palm kernel oil-based derivatives.

Description	Percentage
Certified Palm oil-based derivatives and fractions	96.0
Certified Palm kernel oil-based derivatives and fractions	4.0

2.4 According to the volume information you have provided in Question 2.2 and Question 2.3, your company's certified palm oil and palm oil products uptake is:

100.00%

2.4.1 If your company has not reached 100% usage of sustainable palm oil through the four supply chain models (RSPO Credits, MB, SG or IP), do you have any plans to cover the gap using RSPO Credits?

Yes

2.5 Please estimate the regional distribution of your company's RSPO certified palm oil and palm oil-products usage (as declared in Question CG.2.3) in the following countries/regions:

Countries/Regions	Percentage
Europe	11.0
North America	47.0
Malaysia	14.0
Indonesia	0.0
China	1.0
India	0.0
Latin America	15.0
Africa	0.0
Rest of World	12.0

3. TimeBound Plan**3.1 Which year did your company achieve (or expects to achieve) the RSPO supply chain certification?**

2014

3.2 Which year did your company begin (or expects to begin) using RSPO-certified sustainable palm oil and palm oil products in own-brand products

2011

3.2.1 If the previous target year for CG.3.2 has not been met, please explain why.

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3.3 Which year did your company begin (or expects to begin) using 100% RSPO-certified sustainable palm oil and palm oil products from any supply chain option in own-brand products.

2011

3.3.1 If the previous target year for CG.3.3 has not been met, please explain why.

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3.4 Which year did your company begin (or expects to begin) using 100% RSPO-certified sustainable palm oil and palm oil products from physical supply chain options (Identity Preserved, Segregated and/or Mass Balance) in own-brand products.

2025

3.4.1 If the previous target year for CG.3.4 has not been met, please explain why.

We will meet our 2020 target for all core Kellogg markets. However, due to a fluctuating business portfolio of divestitures and acquisitions we have reassessed the feasibility of our target year for emerging markets and new business. This reevaluation is based on regional use and availability of supply to particular locations. We are also continuing to engage all direct suppliers through our joint efforts with Proforest and internal Procurement and are creating and executing action plans to close gaps.

3.5 If the TimeBound Plan commitments declared above do not cover all countries in which the member operates, please explain why

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3.6 Does your company use RSPO-certified sustainable palm oil and palm oil products in products manufactured on behalf of other companies?

Yes

3.6.1 Does your company have a TimeBound Plan to only use RSPO-certified sustainable palm oil and palm oil products in the goods you manufacture on behalf of other companies?

Yes

3.6.2 When do you expect all products manufactured on behalf of other companies to only contain RSPO-certified sustainable palm oil and palm oil products?

2016.0

4. Trademark Use

4.1 Does your company use or plan to use the RSPO Trademark in own-brand products?

Yes

4.2 Please select the countries where your company uses or intends to use the Trademark

Applies globally

4.2.1 Which year did your company begin (or expects to begin) using the RSPO Trademark

2013

5. Actions for Next Reporting Period

5.1 Please outline activities that your company will take in the coming year to promote the production or consumption of certified sustainable palm oil (CSPO)

100% of palm oil and palm oil products used in Kellogg Company ingredients will continue to be certified as RSPO Segregated, Mass Balance or covered through RSPO Credits. We will also use the RSPO trademark logo on select products to further promote the use/consumption of sustainable palm oil.

6. Shared Responsibility

The Board of Governors of the Roundtable on Sustainable Palm Oil (RSPO) approved new Shared Responsibility rules on 31 October 2019, requiring all members to share sustainability requirements and obligations. Reporting of Shared Responsibility indicators will be done through several channels, including ACOP. As the implementation of Shared Responsibility reporting is still on-going and in development, the Shared Responsibility section in ACOP is not yet final and may change in future ACOP cycles. For more information on Shared Responsibility, please go to <https://rspo.org/news-and-events/news/what-are-the-new-shared-responsibility-rules> or email the ACOP team at acop@rspo.org

Labour & Labour Rights

6.1 Does your company have a publicly-available policy covering Labour & Labour Rights?

Yes

6.1.1 Does the policy cover:

- No discrimination
- Wage and working conditions
- Freedom of association
- No child labour
- No harassment
- No forced or trafficked labour

6.1.2 Has your company previously uploaded or linked its Labour & Labour Rights policy in previous ACOP reporting cycles?

Yes

Ethical Conduct & Human Rights

6.2 Does your company have a publicly-available Policy covering Ethical Conduct & Human Rights?

Yes

6.2.1 Does the policy cover:

- Recruitment
- Contractors
- Sub-Contractors & Third-Party Contractors

6.2.2 Has your company previously uploaded or linked its Ethical Conduct & Human Rights policy in previous ACOP reporting cycles?

Yes

Land Use

6.3 Does your company have a publicly-available Policy covering Land Use?

Yes

6.3.1 Does the policy cover:

- Free Prior and Informed Consent (FPIC)
- Compensation

6.3.2 Has your company previously uploaded or linked its Land Use policy in previous ACOP reporting cycles?

Yes

Occupational Health & Safety**6.4 Does your company have a publicly-available Policy covering Occupational Health & Safety?**

Yes

6.4.1 Has your company previously uploaded or linked its Occupational Health & Safety policy in previous ACOP reporting cycles?

Yes

Climate Change & Greenhouse Gas (GHG)**6.5 Does your company have a publicly-available policy covering Climate Change & Greenhouse Gas (GHG)?**

Yes

6.5.1 Does the policy cover:

- Identification and assessment of GHG
- Public reporting of GHG footprint
- Monitored implementation plan to reduce or minimise GHG emissions

6.5.2 Has your company previously uploaded or linked its Climate Change & Greenhouse Gas policy or report in previous ACOP reporting cycles?

Yes

Complaints & Grievances**6.6 Does your company have a Complaints & Grievances Mechanism?**

Yes

6.6.1 Is your Complaints & Grievances mechanism in line with the RSPO's grievance mechanism? For details of the RSPO's grievance mechanism, please go to <https://askrspo.force.com/Complaint/s/>

Yes

Smallholders**6.7 Does your company support oil palm independent smallholder groups?**

Yes

6.7.1 Does this support cover:

- Fair and transparent dealings with Smallholders
- Improved Smallholder livelihoods

6.7.2 How is your company supporting them?

In 2020, in line with Kellogg Co.'s new Policy on Deforestation and Global Palm Oil Policy, Kellogg has partnered with an NGO to support smallholder farmers through direct engagement including improved cultivation techniques and access to market. In the past, Kellogg partnered with Wilmar, BSR, and other peer companies to support a series of workshops targeting small/medium suppliers in Sumatra and Kalimantan to communicate best practices and heighten awareness of issues such as wage management, employment contracts, and grievance mechanisms.

7. Challenges

7.1 What significant obstacles or challenges has your company encountered in the promotion of certified sustainable palm oil (CSPO)? What efforts has your company taken to address these obstacles or challenges?

- Awareness of RSPO in the market
- Difficulties in the certification process
- Certification of smallholders
- Competition with non-RSPO members
- High costs in achieving or adhering to certification
- Human rights issues
- Insufficient demand for RSPO-certified palm oil
- Low usage of palm oil
- Reputation of palm oil in the market
- Reputation of RSPO in the market
- Supply issues
- Traceability issues
- No challenges faced
- Others

Others

Palm oil continues to be an ingredient of particular focus for Kellogg Company in our responsible sourcing efforts. The rapid expansion of palm oil production continues to be associated with human rights violations and the destruction of tropical forest habitats and peat lands. Although Kellogg uses a very small amount of palm oil globally, we have been working since 2009 to improve the sustainability and responsible sourcing of our palm oil. All of the palm oil we use is sourced through a combination of the Roundtable of Sustainable Palm Oil (RSPO) Certified Segregated supply chain, RSPO Mass Balance mixed source supply chain and the purchase of RSPO certificates. We are challenged by the lack of reliable MB or segregated product in places like Russia. We work with suppliers who have performance challenges against the RSPO performance standards and are working to address these gaps. The reliability of certified material and assurance of compliance of associated producers/growers and suppliers has had an impact on both our continuity of supply and reputation. Through continued improvement of the RSPO grievance process, we are hopeful that current and future issues will proceed in a timely and transparent fashion. We seek to continue to support the RSPO through actions such as participation in the revisions of various standards and guidances and the Human Rights Working Group. We are also committed to supporting and partnering with our suppliers, peers, and other actors in this sector through multi-stakeholder initiatives within and outside of RSPO to address social and environmental issues, their mitigation, and enforcement.

7.2 In addition to the actions already reported in this ACOP report, what other ways has your company supported the vision of the RSPO to transform markets to make sustainable palm oil the norm?

- Engagement with business partners or consumers on the use of CSPO
- Engagement with government agencies
- Promotion of CSPO outside of RSPO venues such as trade workshops or industry associations
- Promotion of physical CSPO
- Providing funding or support for CSPO development efforts
- Research & Development support
- Stakeholder engagement
- No actions taken
- Others

Others

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7.3 If your company has any other publicly-available reports or information regarding its palm oil-related policies and activities, please provide the links here

<http://crreport.kelloggcompany.com/download/Global-Palm-Oil-Policy-3-Feb-2020-Final.pdf>
<http://crreport.kelloggcompany.com/index.php?s=20299#palmoil> <http://crreport.kelloggcompany.com/download/Global-Policy-on-Deforestation-3-Feb-2020-FINAL.pdf>