

# Kellogg Co.

**TICKER**  
 NYS:K

**MARKET CAPITALIZATION**  
 US\$19 billion

**HEADQUARTERS**  
 United States

**DISCLOSURES**
UK Modern Slavery Act: Yes

California Transparency in Supply Chains Act: Yes

**TARGETS**

Yes

**OVERALL RANKING**

## 4 out of 43

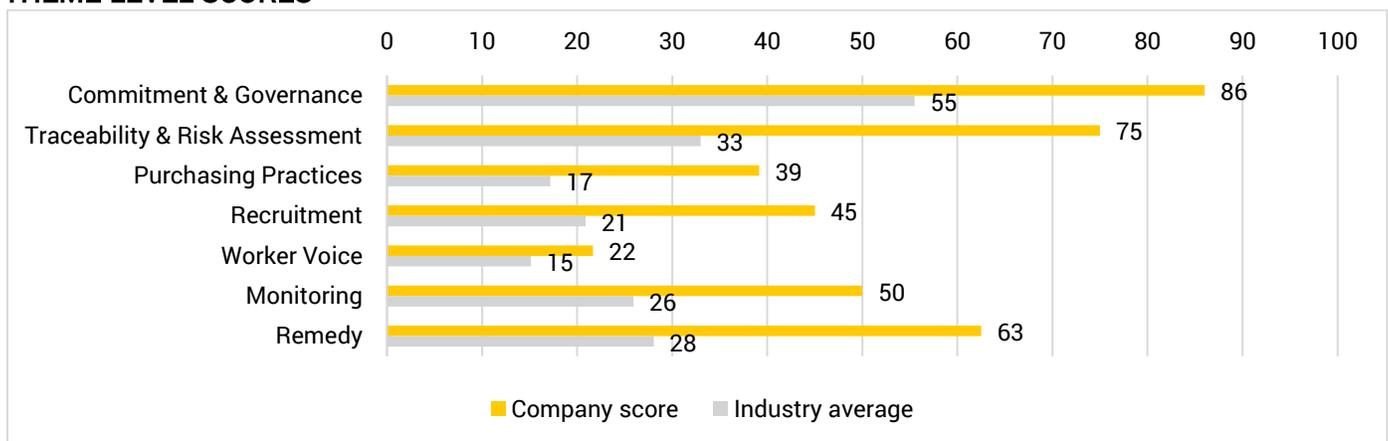
(2018 Rank: 2 out of 38)

**OVERALL SCORE**

## 54 out of 100

**SUMMARY**

Kellogg Co. (Kellogg), an American food manufacturer, ranks 4<sup>th</sup> out of 43 companies, disclosing more information on its forced labor policies and practices than its peers across all themes. Since 2018, the company seems to have taken only limited steps to improve (namely, providing more detail on its risk assessment). As the benchmark methodology requires companies to keep up with evolving stakeholder expectations and emerging good practices, the company's rank has decreased by two places. Notably, the company is among those achieving the highest score on the theme of Remedy; it also achieves the second-highest score on the theme of Traceability & Risk Assessment. The company is encouraged to improve on the themes of Purchasing Practices, Recruitment, and Worker Voice.

**THEME-LEVEL SCORES**


Research conducted through February 2020 or through May 2020, where companies provided additional disclosure or links. For more information, see the full dataset [here](#). For information on a company's positive and negative human rights impact, see the Business & Human Rights Resource Centre [website](#).

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**KEY DATA POINTS****SUPPLIER LIST**

Yes (palm oil only)

**SUPPORTS FREEDOM OF ASSOCIATION**

No

**HIGH-RISK COMMODITIES**Cocoa, corn, wheat, and others<sup>1</sup>**NO-FEE POLICY**Yes ([Employer Pays Principle](#))**REMEDY FOR SUPPLY CHAIN WORKERS**

No

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**LEADING PRACTICES**

**Training:** Kellogg discloses that it supports suppliers with workshops in Indonesia. It states that 170 people from its second-tier suppliers participated in three workshops held over seven months, which addressed topics including “external stakeholder concerns and expectations, brand and customer expectations, and policies for suppliers and upstream supply chain actors,” as well as training on wages, worker contracts, casual and permanent workers, grievance mechanisms, and labor unions. It also shared comparative case studies from other industries such as tea, banana, and cocoa.

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**NOTABLE FINDINGS**

**Risk Assessment:** The company states that it assesses the risk of forced labor in its supply chains, taking into account regional locations, sectors, commodities, and supplier-specific information. It reports that it uses a combination of publicly available indices and Sedex’s risk assessment tool, which allows it to evaluate commodities and sourcing locations. Kellogg states that this information is used to influence supplier selection and inform supplier communications. The company also reports that it conducts on-the-ground assessments of migrant workers in its supply chains.

**Recruitment:** The company’s supplier code includes the Employer Pays Principle, which states that no worker should pay for a job. It includes examples of fees and costs that a supplier or labor agency should pay for, including “legal fees, travel, lodging, passport and visa processing, medical exams, in-country support services, personal protective equipment, and training.” The code also prohibits the retention of workers’ passports and identification documents and requires that workers are provided with information on their employment in their native languages.

**Corrective Action Plans:** Kellogg discloses that it works with suppliers to remediate violations of its supplier code. It states that it uses desktop review, spot checks, or re-audits to verify that issues have been remediated. The company states that, after identifying that missing documentation resulted in wages that were not paid in full or on time to harvest workers on Turkish apple plantations, the supplier improved its annual training and began documenting payment processes and obtaining signatures from harvest workers. Kellogg reports that it followed up and interviewed workers to ensure that they were aware of the new payment processes, their pay levels, and when payments were to be made.

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**OPPORTUNITIES FOR IMPROVEMENT**

**Purchasing Practices:** While the company has joint business planning processes with its key suppliers, the company is encouraged to provide procurement incentives to first-tier suppliers to encourage or reward good labor practices (such as price premiums, increased orders, or longer-term contracts) and to disclose data points on its purchasing practices. Further, while the company has a process to assess forced labor risks at potential suppliers, it is encouraged to disclose outcomes of this process, such as the number or percentage of suppliers rejected due to not meeting its labor rights criteria.

**Recruitment:** While the company has integrated the Employer Pays Principle into its supplier code, the company may consider taking steps to ensure that workers in its supply chains who have been made to pay fees are reimbursed. The company is further encouraged to provide evidence that it implements its policies requiring that migrant supply chain workers understand the terms and conditions of their recruitment and employment and are not restricted in their movement. It is also encouraged to disclose outcomes of steps it has taken to ensure respect for the fundamental rights and freedoms of supply chain workers in vulnerable conditions, such as women workers.

**Worker Voice:** To support collective worker empowerment, the company is encouraged to work with its suppliers to improve their practices regarding freedom of association and collective bargaining and with local or global trade unions to support freedom of association in its supply chains. Where there are regulatory constraints on freedom of association, the company may consider ensuring workplace environments in which workers in its supply chains are able to pursue alternative forms of organizing.

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**ENGAGED WITH KNOWTHECHAIN**

Yes ([Provided Additional Disclosure](#)).

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<sup>1</sup> The US Department of Labor lists these commodities as commodities that may be produced using forced labor. US Department of Labor (20 September 2018), "[List of Goods Produced by Child Labor or Forced Labor](#)."