

# The Kellogg Company (Kellogg's)

	GHG EMISSIONS
ACKNOWLEDGE	● ● ● ●
PRIORITISE	● ● ● ●
SET STRATEGY & GOALS	● ● ● ●
TRACK	● ● ● ●

## Background on Kellogg's

Kellogg's is an American multinational food manufacturing company headquartered in Battle Creek, Michigan. Kellogg's manufactures cereals, convenience, and vegetarian foods in 18 countries and markets its products in 180 countries. It employs 33,500 people worldwide and had reported revenues of US\$14.8 billion in 2014. Kellogg's is publicly listed on the New York Stock Exchange.

## How did Kellogg's come to start thinking about context?

In December 2013, [Climate Counts](#) issued a report called "Assessing corporate emissions performance through the lens of climate science" that was aimed at determining how the GHG emissions data from 100 major companies compared in the context of the latest climate science data. Kellogg's was one of the companies reviewed in the report and was ranked 60th with its GHG emissions being determined as being "unsustainable" in the context of the latest climate science<sup>1</sup>.

In August 2014, Kellogg's renewed its 2008 commitment to reducing its GHG emissions from its manufacturing operations by 15% from a 2005 baseline<sup>2</sup>. Then, ahead of [COP21](#) in late 2015, Kellogg's used its position as a leading global food manufacturer to support the private sector efforts aimed at facilitating an agreement during the talks in Paris<sup>3</sup>. Kellogg's wanted to better align itself with the targets being discussed in Paris, and so it committed to setting a contextual GHG emissions goal that included its Scope 1, 2, and 3 emissions<sup>4</sup>. John Bryant, CEO of Kellogg's, acknowledged that this commitment would require the full cooperation of the value chain if the company was going to be successful<sup>5</sup>. In December 2015, the [Science-Based Targets](#) initiative announced that the GHG emissions goal that Kellogg's had submitted to them for assessment was determined, by its methodology, to be science-based<sup>6</sup>.

<sup>1</sup> Climate Counts (2013). Assessing corporate emissions performance through the lens of climate science. Accessed at: [http://www.sustainableorganizations.org/Climate\\_Counts\\_2013\\_CarbonStudy.pdf](http://www.sustainableorganizations.org/Climate_Counts_2013_CarbonStudy.pdf)

<sup>2</sup> The Kellogg Company (2015). Climate Policy. Accessed at: [https://www.kelloggcompany.com/content/dam/kelloggcompanyus/corporate\\_responsibility/pdf/2015/ClimatePolicyFINALDecember15-2015.pdf](https://www.kelloggcompany.com/content/dam/kelloggcompanyus/corporate_responsibility/pdf/2015/ClimatePolicyFINALDecember15-2015.pdf)

<sup>3</sup> Business Green (2015). How COP21 is feeding Kellogg's supply chain strategy. Accessed at: <http://www.businessgreen.com/bg/news/2420954/how-cop-21-is-feeding-kellogg-s-supply-chain-strategy>

## What does context look like at Kellogg's?

### 1 ACKNOWLEDGE the need to operate within global, regional, and/or local socio-ecological thresholds.

GHG EMISSIONS

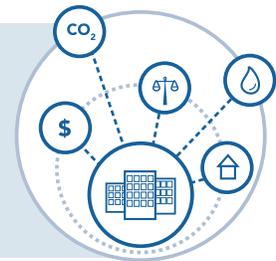


GHG emissions: Kellogg's CEO, John Bryant, commented that climate change exposes the business community to increasing volatility and uncertainty, which would require the development of new forms of long-term planning<sup>7</sup>. The contextual GHG emissions goal set by Kellogg's will help it and its supply chain "address the risks climate change poses to our company and the world" and better align Kellogg's with scientific consensus on the effects of GHG emissions on climate change<sup>7</sup>. In its Climate Policy, Kellogg's has committed to working with its supply chain to develop a detailed roadmap towards delivering its 2020 goal and this engagement includes the smallholders within its supply chain<sup>2</sup>.

Other thresholds: Kellogg's acknowledges the importance of other socio-ecological issues including Water, Energy use, and Gender but does not yet discuss their associated thresholds.

### 2 Transparently understand and PRIORITISE a set of focus areas in relation to key socio-ecological trends at the global, regional, and/or local level.

GHG EMISSIONS



GHG emissions: Kellogg's has classified its material issues into four areas that form the structure of its Corporate Social Responsibility strategy. Each material issue is qualitatively ranked against the level of societal interest and concern, the impact the issue has on Kellogg's, and the level of control Kellogg's has over the issue<sup>8</sup> (what we call a 'classic' approach to materiality). Kellogg's has recognised that its upstream agricultural and manufacturing emissions are the largest sources of its GHG emissions, and this recognition was the primary reason Kellogg's extended its GHG emissions reductions commitment beyond its own operations<sup>2</sup>.

<sup>4</sup> Science-Based Targets (2015). Case Study: Kellogg's. Accessed at: <http://sciencebasedtargets.org/case-studies/>

<sup>5</sup> Vita International (2015). 114 Companies Commit To Set Ambitious Science-Based Emissions Reductions. Accessed at: <http://www.vitainternational.media/en/article/2015/12/10/114-companies-commit-to-set-ambitious-science-based-emissions-reductio/121/>

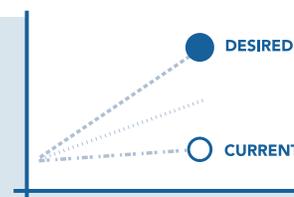
<sup>6</sup> Science-Based Targets (2016). In past year, Science-Based Targets grew at a rate of 2+ companies per week. Accessed at: <http://sciencebasedtargets.org/2016/06/28/in-past-year-science-based-targets-grew-at-rate-of-2-companies-per-week/>

<sup>7</sup> The Kellogg Company (2015). Corporate Responsibility Report 2015. Accessed at: [http://www.kelloggcompany.com/content/dam/kelloggcompanyus/corporate\\_responsibility/pdf/2016/Kelloggs\\_CRR\\_2015%20FINAL.pdf](http://www.kelloggcompany.com/content/dam/kelloggcompanyus/corporate_responsibility/pdf/2016/Kelloggs_CRR_2015%20FINAL.pdf)

<sup>8</sup> The Kellogg Company (2009). Corporate Responsibility Report 2009. Accessed at: [http://www.kelloggcompany.com/content/dam/kelloggcompanyus/corporate\\_responsibility/pdf/2008-2010/Kelloggs09CRR\\_Summary2.pdf](http://www.kelloggcompany.com/content/dam/kelloggcompanyus/corporate_responsibility/pdf/2008-2010/Kelloggs09CRR_Summary2.pdf)

### 3 SET STRATEGY AND GOALS by transparently articulating the current performance gap and what portion of this gap the business will address.

GHG EMISSIONS



GHG emissions: Kellogg's has committed to a 15% reduction of its Scope 1 and 2 GHG emissions (per tonne of food produced) by 2020 from a 2015 baseline. It has also committed to reducing its absolute value chain (Scope 3) GHG emissions by 20% from 2015 to 2030. As a long-term commitment, Kellogg's has also committed to reducing its absolute Scope 1 and 2 GHG emissions by 65% and its absolute value chain (Scope 3) GHG emissions by 50% by 2050 from a base year of 2015<sup>4</sup>.

Kellogg's felt that it was not an expert in climate science, leading it to partner with the [World Wide Fund for Nature](#) (WWF), [World Resources Institute](#) (WRI), and the [Carbon Disclosure Project](#) (CDP) to develop a contextual GHG emissions goal that was consistent with the latest information from the [Intergovernmental Panel on Climate Change](#) (IPCC)<sup>4</sup>. Through these partnerships, Kellogg's was introduced to the [Sectoral Decarbonisation Approach](#) and the [3% Solution](#). Using these two approaches, Kellogg's developed an internal carbon calculation and forecasting tool that allows it to quantify its emissions across five key areas of its value chain, and test various sales changes and GHG emissions reduction efforts in a way that better supports its internal decision-making<sup>2</sup>. Kellogg's then compared the outputs for each of the approaches as a way to decide on its final GHG emissions goal (see Figure 1 below). Kellogg's has since published a comprehensive [Climate Policy Methodology](#) that transparently outlines how it developed its contextual GHG emissions goal<sup>9</sup>.

Methodology/Tool	Baseline	2050 Target
IPCC	2010	65% Reduction Scope 1 + 2
Sectoral Decarbonization Approach (Draft Tool)	2015	74% Reduction Scope 1 + 2
3% Solution (Carbon Target and Profit Calculator)	2015	52 - 56% Reduction Scope 1 + 2
Kellogg Final Commitment	2015	65% Reduction Scope 1 + 2 50% Reduction Scope 3

Figure 1: Table reproduced from the Climate Policy Methodology document of Kellogg's illustrating how Kellogg's considered the different outputs of each of the climate science approaches when developing its contextual GHG emissions goal<sup>9</sup>.

Kellogg's has also set a goal for how it will work with its value chain to help it adhere to the GHG emissions threshold. It has committed to reducing its absolute value chain (Scope 3) GHG emissions by 20% from 2015 to 2030.

Other thresholds: Kellogg's has not yet set contextual goals in relation to any other thresholds.

## 4 Transparently TRACK performance against realistic trajectory targets.

GHG EMISSIONS



GHG emissions: Kellogg's is in the process of creating a detailed glide path that will allow it to better track the progress it is making towards achieving its contextual GHG emissions goal. In the meantime, it published a preliminary graph in its Climate Policy Methodology document (Figure 2). Kellogg's has also committed to reporting the progress it is making towards its contextual goal on an annual basis and to reevaluating its goals, tools, technologies, and climate science understanding every five years, as a minimum<sup>9</sup>. While Kellogg's has made a commitment to work with its supply chain to develop a detailed roadmap for delivering its 2020 goal, it has yet to provide details of how it will deliver on this commitment.

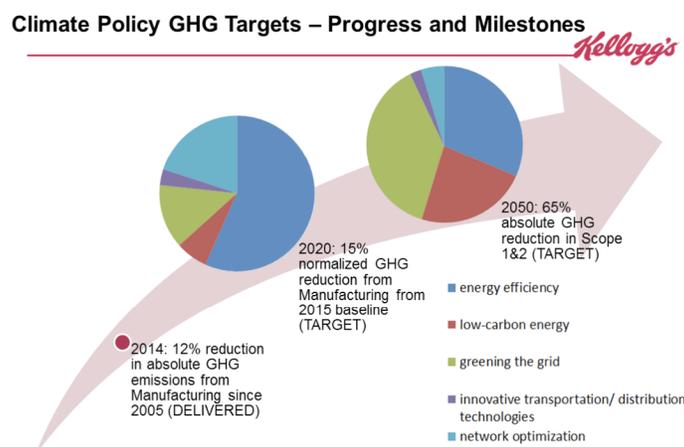


Figure 2: Glide path developed by Kellogg's illustrating how it plans to review its progress towards achieving its contextual GHG emissions goal<sup>9</sup>.

Other thresholds: Kellogg's reports its performance against other socio-ecological issues including Water, Energy use, and Gender but does not yet report its progress in conjunction with their associated thresholds.

## What is the road ahead for context at Kellogg's?

Kellogg's has commented that one of its key challenges while embedding its contextual GHG emissions goal will be changing its internal culture to think longer-term (35 years ahead rather than 5 years)<sup>4</sup>. Setting a long-term GHG emissions goal that is underpinned by climate science is helping to bring a broad range of actors within its business together to focus on a common goal<sup>4</sup>. A key next step for Kellogg's will be to begin to understand how other environmental and social thresholds apply to its business.

<sup>9</sup> The Kellogg Company (2015). Climate Policy Methodology. Accessed at: [http://www.kelloggcompany.com/content/dam/kelloggcompanyus/corporate\\_responsibility/pdf/2015/ClimatePolicyMethodology-December15.pdf](http://www.kelloggcompany.com/content/dam/kelloggcompanyus/corporate_responsibility/pdf/2015/ClimatePolicyMethodology-December15.pdf)