SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

SCIENCE BASED TARGETS CASE STUDY: KELLOGG COMPANY

AN INITIATIVE BY:

CDP
DRIVING SUSTAINABLE ECONOMIES

UN GLOBAL COMPACT

WORLD RESOURCES INSTITUTE

WWF

Targets adopted by companies to reduce greenhouse gas (GHG) emissions are considered "science-based" if they are in line with the level of decarbonization required to keep global temperature increase below 2 degrees Celsius compared to pre-industrial temperatures, as described in the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC AR5).

INTRODUCTION

Kellogg Company (also known as Kellogg's) is a multinational food manufacturing company headquartered in Battle Creek, Michigan. Kellogg produces cereal and convenience foods, including cookies, breakfast cereals, frozen waffles, and vegetarian foods. The company's brands include Froot Loops, Corn Flakes, Rice Krispies, Special K, Pringles, Pop-Tarts, Nutri-Grain, and Morningstar Farms.

Kellogg products are manufactured in 18 countries and marketed in over 180 countries. In 2012, Kellogg became the world's second-largest snack food company (after PepsiCo) by acquiring the Pringles potato crisps brand from Procter & Gamble. We spoke to Kellogg's Senior Sustainability Manager, Amy Braun, about Kellogg's science-based targets.

WHY DID YOU SET A SCIENCE-BASED TARGET?

During COP21 we wanted to do something smart and long term that aligned with the ambition of governments going to Paris. We had already committed to setting targets for scopes 1, 2 and 3 and we decided we wanted to incorporate the science, as a way of making the target we set strongly justifiable. It was also a way for us to continuing to establish our leadership. And of course, there's a strong business case as we need to ensure long-term access to the ingredients and resources needed for our foods.

WHAT WAS THE PROCESS LIKE?

We are not subject matter experts in climate science: we make excellent food! So, we partnered with WWF, WRI, and CDP to come up with a plan to set targets using the latest information from the Intergovernmental Panel on Climate Change (IPCC). We really dug into the science from the outset: we wanted to understand the IPCC findings, the related global aspirations, and where we fitted in.

We convened our NGO advisors – including the Science Based Targets Initiative partners – and we looked with them at where the company was at in its journey, and the commitments it had made so far. We asked them: what do we need to do to make this more long term, more ambitious? They introduced us to the methods – the Sectoral Decarbonisation Approach and the 3% Solution – that helped us shape and validate our initial thinking.

It was really critical that we worked with others – the NGOs, but also government, suppliers, other stakeholders – to understand how we could make meaningful impacts.

WHAT CHALLENGES DID YOU ENCOUNTER?

It was a challenge to change our internal culture to think more long-term and to understand how our short-term commitments (up to 2020) contributed to and helped to build a longer-term vision. We needed to think big, to recognise that as an established, successful company we were not going anywhere, and therefore needed to shift our time horizon from 5 to 35 years.

THE TARGETS

Kellogg Company commits to a 15% reduction in emissions (tonne of CO_2e per tonne of food produced) by 2020 from a 2015 base-year (scopes 1 & 2).

Kellogg commits to reduce absolute value chain emissions by 20% from 2015-2030 (scope 3).

Kellogg also has a long-term target of a 65% absolute reduction in emissions by 2050 from a 2015 base-year (scopes 1 & 2) and to reduce absolute value chain emissions by 50% from 2015-2050 (scope 3).

WHAT CHANGES CAME ABOUT AS A RESULT OF HAVING SET THE TARGET?

This was the first time we had had a quantifiable emissions reduction target for scope 3 emissions. It meant that we had to engage with our suppliers, establish a baseline, and work with them to decide what changes could be made. Since we set the target, we have already begun to engage 75% of our suppliers (over 400 of them) by requesting they respond to the CDP Supply Chain questionnaire on GHG emissions. We have also developed materials to help them understand the challenge and the options they have.

We have 35 programs globally designed to help farmers decrease their footprint. We have committed to supporting half a million farmers to implement smart agricultural practices focused on emission reduction and resilience. We are collating research and aggregating learning from best practices and then sharing back with individual farmers so they can benefit from the collective information.

Having the headline, long term, science-based targets has also bought everyone in the business together, under the same tent. Now logistics, distribution, and manufacturing are all working together to drive towards the same target. This allows for everyone to be part of one company-wide team that is driving greater sustainability. It creates a different culture.

WHAT BENEFITS HAVE YOU EXPERIENCED AS A RESULT OF SETTING A SCIENCE-BASED TARGET?

The benefits are huge. We are one of just a few companies that have set holistic scope 3 targets for all of our suppliers. This is so powerful and yields a real leadership dividend. It's a demonstration of how quickly we have upped our game since 2008 when we first set emission reduction targets. This kind of acceleration leads to recognition from internal and external stakeholders, which is really valuable.

Having a science-based target helps us build relationships with government and changes the nature of the conversation we have with them. Overall, this is all part of our wider story as 'brands with purpose', and the actions we are taking as result of having set a science-based target are essentially proof points of our commitment to sustainability and to leadership to protect the planet.

IS THIS SOMETHING YOU THINK YOUR CUSTOMERS WANTED YOU TO DO?

Our customers are retailers and they really want us to do this. Consumers are perhaps less knowledgeable but awareness is growing, and they are all interested in the ingredients in their food. With our Morningstar Farms brand for example, we can see that people are aware of their carbon footprint, and are excited about actions they can take to reduce it. We are running "Veg of Allegiance" campaign where people substitute one vegetarian product for a meat product they would normally eat. People love it.

WHAT COSTS HAVE YOU ENCOUNTERED?

There are obviously trade offs to be made but in most cases we see reductions in energy use as a direct benefit. Some things may be higher cost as a result of efforts to reduce emissions, but we are always looking for the win-win. This might mean we need to look over a longer time line. But the win-wins are there: we believe we can do this without having to accept higher costs.

HAS THIS MOTIVATED INNOVATION IN THE COMPANY?

Absolutely. For example, we now have fuel cell technology at our waffle-making facility in San Jose, which generates electricity. This is the first time Kellogg has explored this sort of thing and it was motivated directly by the emissions reduction target. It has led to new learning for the sustainability team, the plant, and the supply chain managers. It took a while to get it off the ground but it's now working, and we are looking to replicate it in another facility. Overall, I think people are now more willing to try new things to help drive towards the target: it has created a 'start-up mentality'.

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Amy Braun
Senior Sustainability Manager
Kellogg Company

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