



Kellanova Australia
Modern Slavery Statement
2023



Kellanova

About this Statement

This Modern Slavery statement details our approach to protecting and advancing human rights within our operations and supply chain and outlines some of the key actions we are taking within the Kellanova Group and Kellanova Australia in response to potential issues identified.

It is prepared on behalf of Kellogg Australia Holdings Pty Ltd ACN 102 893 952 and its wholly owned subsidiary Kellogg (Aust.) Pty Ltd ACN 004 110 105 (collectively, referred to in this report as Kellanova Australia). This statement complies with the Modern Slavery Act 2018 in Australia. It covers the structure, operations, and supply chain of Kellanova Australia for the period ending December 31st, 2023.

Both companies have their principal place of business located at Suite 801, Level 8/8 Central Avenue, Eveleigh NSW 2015 Australia and are part of the global Kellanova group of companies.

As Kellanova Australia's suppliers are engaged through Kellogg (Aust) Pty Ltd, both entities effectively have the one common supply chain.

This statement was approved by the boards of both reporting entities covered by this statement. The board of Kellogg Australia Holdings Pty Ltd and its wholly owned subsidiary Kellogg (Aust.) Pty Ltd approved this statement on 26 June 2024.

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A Message From Our Managing Director



As one of Australia's leading food companies we recognise the important role our business has to ensure the communities we engage with, from our employees to our suppliers and the farmers growing our ingredients, are treated equitably and with respect.

Since our last Modern Slavery report, our business has undergone a transformation with the Kellogg Company separating its American cereal business and becoming Kellanova globally in October 2023. While our corporate identity may have changed, our core values remain the same, including our commitment to protecting people's fundamental human rights and eliminating risk from our own operations and supply chain.

Our team is living our company values of Integrity, Accountability and Courage by continuing to strengthen our human rights efforts each year and taking urgent action to remediate any adverse impacts uncovered through our due diligence processes.

Over the past 12 months, we have:

- Continued to implement risk assessments and audits across our owned facilities and with Tier 1 suppliers
- Piloted a program to engage with Tier 2 suppliers through the implementation of labour risk surveys
- Provided training and education to our employees and suppliers on human rights issues and our expectations
- Promoted our Speak Up platform to employees to ensure they are aware of the avenues available to them to report any concerns or violations of our human rights standards
- Reinforced our robust policies and procedures to ensure that our suppliers and business partners adhere to our human rights standards, and
- Continued to collaborate with industry peers, NGOs, and other stakeholders to promote human rights and combat modern slavery.

Our 2023 report builds on our previous actions and outlines how Kellanova Australia is making progress to help tackle the global challenge of modern slavery.

With a 100-year legacy as Kellogg's® in Australia and NZ, Kellanova continues the company's strong commitment to Australian sourcing and building a resilient and responsible supply chain which addresses salient risks impacting communities around the world including human rights and the growing impact of climate change.

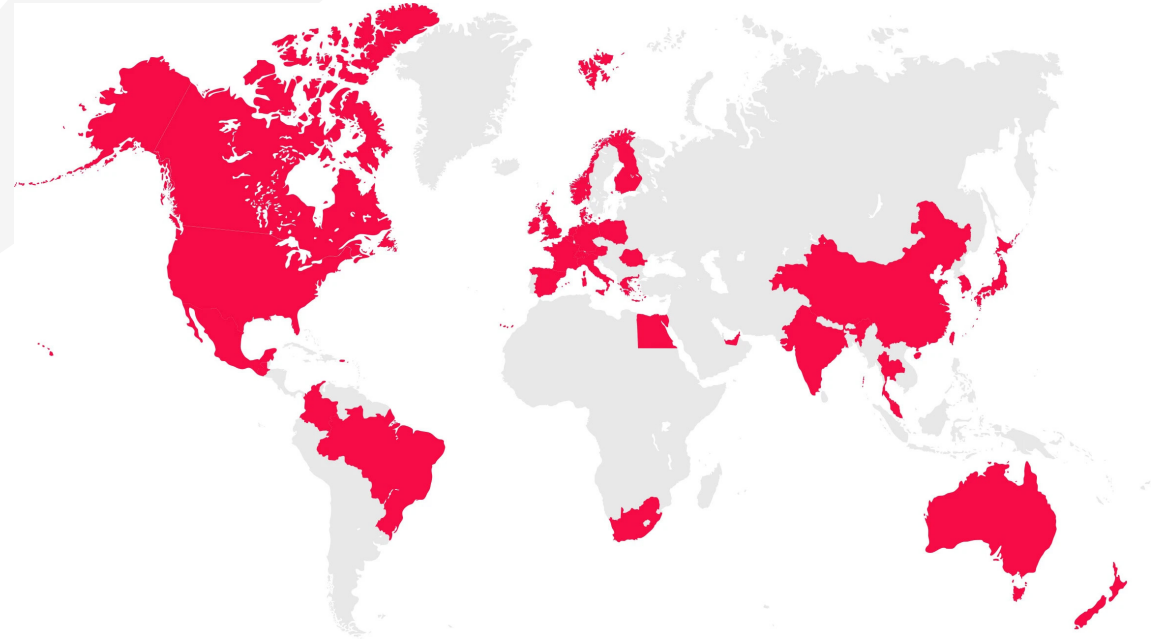
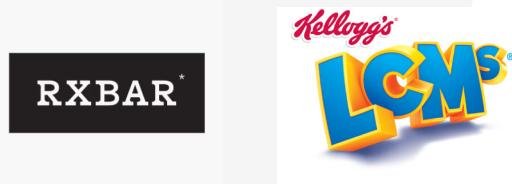
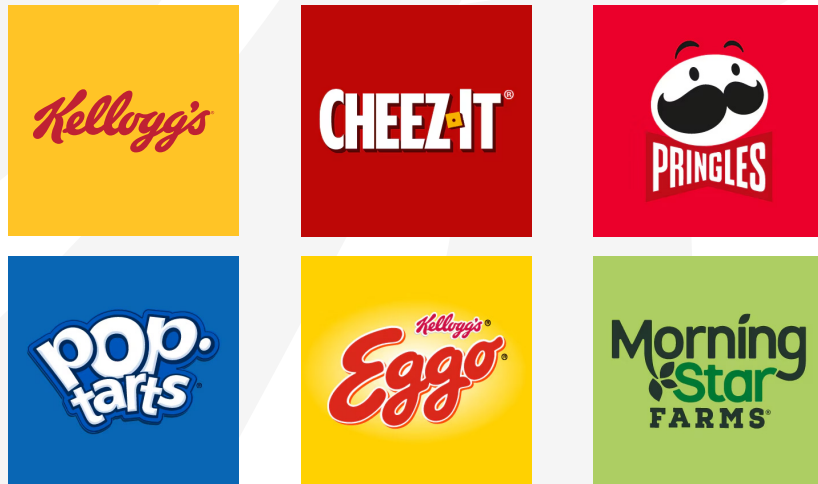
We remain focused on gaining greater visibility into the risks across our supply chain and continuing to strengthen our processes to reduce the most notable risks identified.

A stylized, handwritten signature in black ink, appearing to read 'Anthony Holme'.

Anthony Holme
· Managing Director, Kellanova Australia and New Zealand

Our Structure, Operations And Supply Chain

Kellanova Australia is part of the global Kellanova Group which is a leading food company in snacking, cereal, and noodles, with iconic, world-class brands including Kellogg's®, Cheez-It®, Pringles®, Pop-Tarts®, Eggo®, MorningStar Farms®, RXBAR®, and LCMS®.



Kellanova is headquartered in the US and has manufacturing operations in 20 countries, products marketed in 180 countries and employs 23,000 people around the world.

OPERATIONS IN
20
COUNTRIES

MARKETED IN
180
COUNTRIES

EMPLOYS
23,000
PEOPLE AROUND THE
WORLD

Structure

Kellanova Australia operates one manufacturing facility, located at Botany, Sydney NSW. This factory produces the majority of the Kellogg's® cereals shoppers will find in store today including Corn Flakes, Rice Bubbles®, Sultana Bran® and Nutri-Grain®.

In addition to our local manufacturing site, we import products from other Kellanova owned facilities around the world. These are located in Malaysia, Thailand, South Korea and the United States.

Kellanova Australia also has co-manufacturing relationships with sites in Australia, Belgium and Malaysia.

Kellogg (Aust) Pty Ltd directly employs over 400 people across our head office and manufacturing site in Australia. In addition, we rely on approximately 100 contract workers across maintenance, engineering, and other support services.



Operations

Kellanova Australia is a food manufacturing and distribution business. Our business operations include:

- The production of cereal and snack products, both locally and regionally
- Importing and exporting products for sale in regional markets
- Distributor of snack products under the Kellogg's®, Pringles® and Cheez-It® brand
- Procurement of ingredients, materials, and logistics services
- Local research and development for new products
- Implementation of local sustainability and social impact programs
- Marketing and sales activities.

Supply chain

Kellanova works with over 20,000 Tier 1 suppliers worldwide with agricultural commodities – including corn, wheat, potato flakes, vegetable oils, sugar, and cocoa – the primary raw materials used in our foods.

Kellanova Australia's supply chain is significantly smaller, with approximately 160 direct suppliers¹ that vary in size. A large percentage of the ingredients we use to make our food are sourced in Australia.

78% of the total volume of our food sold within the Australian market is made with locally sourced ingredients. Our largest volume ingredients include wheat, rice, and corn. In fact, we have been the largest purchaser of maize in Australia since 1961.



As a company we are proud of our long-standing partnerships with several Australian suppliers and the farmers within their networks. Many of these relationships have stretched across generations including those with Manildra, Corson and Sunrice.

In addition to the raw ingredients, we also procure other goods and services to deliver on our business goals. These include packaging materials, labour hire, marketing, IT, utilities, and logistics services.

Our Approach to Human Rights

Kellanova is committed to resilient and responsible global supply chains, including responsible sourcing that respects and advances the cause of human rights.

Our approach to identifying, mitigating, and managing modern slavery and broader human rights risks in our operations and supply chain is informed by the UN Guiding Principles on Business and Human Rights (UNGPs) and the eight International Labour Organisation (ILO) core conventions as set out in the ILO Declaration on Fundamental Principles and Rights at Work.

Our policy framework articulates our human rights expectations to our employees, suppliers and supply chain partners and includes the [Kellanova Global Human Rights Policy](#), our [Global Supplier Code of Conduct](#), and our [Policy Prohibiting Involuntary Labour](#).

Our actions are focused on building awareness and sharing best practices regarding salient human rights risks, increasing visibility and transparency within the supply chain, and moving beyond compliance to build an ethical and sustainable supply base.

In line with Kellanova's global Human Rights strategy, Kellanova Australia's local governance framework is overseen by the directors of Kellanova Australia and is managed by a dedicated and passionate team including senior leaders, subject matter experts and relevant cross-functional working groups.

This framework covers six focus areas, ensuring we have strong due diligence in place to respect and protect human rights.



Identifying and Addressing Human Rights Risks

Our approach to identifying and addressing human rights and modern slavery risks is based on a combination of supply chain assessments and supplier engagement programs at both a global and local level. This includes:

- Global risk assessments conducted in 2019 with the support of leading global assurance partner, LRQA (known as ELEVATE at the time). The risk assessment covered Kellanova global Tier 1 sites, with supplier sites categorised into minimum, specialised, moderate and priority risk segments based on commodity/country risks and leverage. Building on the results of the assessment, targeted supplier assessments and engagements have been conducted and are still on-going².
- An annual risk scoping exercise covering Kellanova Australia's Tier 1 suppliers with a lower spend threshold. The assessment determined high-risk suppliers based on geography, product, and commodity risks. Drawing on the results of this assessment further insights are gained from Sedex Radar and supplier Sedex Self-Assessment Questionnaires (SAQ).

As a result of these risk assessments:

- In 2023 we extended our approach to identifying and addressing human rights and modern slavery risks to include Tier 2 suppliers within Kellanova Australia's supply chain.
- Cocoa sourced from Ghana and Côte d'Ivoire, palm oil sourced from Malaysia, sultanas sourced from Turkey and sugar sourced from Thailand were identified as high-risk commodities within the Kellanova Australia supply chain. To address identified risks, we have partnered with recognised non-governmental organisations (NGOs) to implement on the ground initiatives. See p.11-13 for details.
- In addition, ingredient and packaging supply chains in China, Indonesia, Malaysia, and Thailand were identified as high risk for human rights and forced labour. In response, LRQA has supported us in the implementation of a targeted, risk-based supplier engagement program that focuses on moderate and priority risk segment suppliers in these geographies. This program started in 2019 and continued through 2023.

Our salient human rights issues

Our processes to identify and address modern slavery and broader human rights risks are informed by our salient human rights issues which are third party verified. Pertinent human rights issues across Kellanova Group's own operations and supply chains are described in the Global Human Rights Policy and include:

- Forced Labour
- Child Labour
- Migrant Labour
- Health and Safety
- Discrimination and Harassment
- Wages



Cocoa from Ghana and Côte d'Ivoire



Palm Oil from Malaysia/Indonesia



Sultanas from Turkey



Sugar from Thailand



Audits of Kellanova sites

Kellanova is committed to performing third party assessments on our owned operations in high-risk geographies to ensure compliance with our policies and commitments.

We primarily use the Sedex Members Ethical Trade Audit (SMETA) program. If during these audits, significant findings are identified, the site will be re-audited in one year's time. If no significant findings are identified, audits will be performed at a minimum of once every three years.

In 2023, none of Kellanova Australia's own operations were deemed high-risk. However, we import products from three sites located in high-risk geographies including two Kellanova owned facilities, one in Thailand and one in Malaysia, and a co-manufacturer in Malaysia. The Kellanova Thailand and co-manufacturer sites were audited in 2023.

Employee training and engagement

To embed respect for human rights across our operations and to guide our employees on how to identify, prevent and respond to potential human rights issues, all appropriate employees at Kellanova Australia undertake human rights training every two years.

In addition, our procurement teams undergo a comprehensive onboarding process and tailored training to ensure robust knowledge and awareness of the material risks relevant to our industry and business.

In August 2023, a global Speak Up communication campaign was implemented to drive awareness of our grievance mechanism and encourage Kellanova employees to report any violations of the law, policy, or the company code.

Townhall sessions are also used to help raise awareness of human rights and to communicate our policies and standards to all Kellanova Australia employees.

Employment

Due to Kellanova Australia's strong policies, training, and monitoring processes, we consider the risk of modern slavery in our workforce as low.

All our direct employees are employed through contracts of employment that are regulated by Australian employment laws and/or relevant industrial instruments. We respect our employees' right to freedom of association and have an enterprise agreement in place with our Botany factory operators, most of whom are union members.

Our contract workers are engaged through reputable service providers that have been doing business with Kellanova Australia for many years. Kellanova Australia also undertakes periodic checks of their workers' terms and conditions to ensure these service providers are meeting their legal obligations.

SPEAK UP! REPORT YOUR CONCERNS EARLY
If you See Something, Say Something.
When you see any potential violations of the law, policy, or the company code, speak up!

YOU SHOULD REPORT

- Inaccuracy of financial records
- Accounting and auditing irregularities
- Bribery, corruption or illegal payments
- General conduct and violations of law
- Safety and environmental hazards
- Food safety risks
- Misuse of confidential information
- Discrimination and harassment
- Product quality issues
- Conflicts of interest
- Theft or fraud
- Workplace violence
- Human rights violations
- Misuse of IT systems or the company assets

HOW TO CONTACT US

- Call us at: 1800530104
- Email us at: ethics@kellogg.com
- Speak to your Local Area Legal Team or visit our site: <https://www.kellogg.com/kellogg>
- Mobile App: [Kellogg's Ethics Line mobile app \(iOS\)](#)
- Scan here to visit our Legal & Compliance intake site!
- Reach out to myHR: 1877-666-7666 (United States / English)
- Speak to your manager
- Talk to your Local HR Office
- See the Code of Ethics

1 The Speak Up line is available 24/7. 2 Your reports to the Speak Up line are confidential. 3 Kellogg's only provides information when the concerns are great risk regional or global-level issues.

"Please Speak up! Your concerns are valid, and we want to hear from you. Thank you in advance!"
Carmel Samant, Corporate Counsel
Suzell Suphachitpanya, Global Supply Chain

ethics & compliance Kellogg's

Monitoring our suppliers

To monitor supplier performance, we encourage all in-scope³ suppliers to register on the Sedex platform and have their sites linked to us. This enables us to track supply chain locations and assess audit status, including open non-conformances or pending actions more accurately.

We have an annual goal to maintain 90% of in-scope suppliers registered and active on the Sedex platform and 90% of all sites linked. As of December 2023, in the Kellanova AMEA (Africa, Middle East and Asia) region, of which Kellanova Australia is a part, 86% of in-scope suppliers are registered with Sedex and linked with Kellanova.

We are continuing to work with our suppliers to ensure completion of the Sedex Self-Assessment Questionnaire through which information on business practices, management systems, policies, and workers is shared. This allows us to understand whether suppliers are meeting international labour standards and informs our supplier risk profiling.

Engaging with our Tier 1 suppliers

Building on the 2019 risk assessment and supported by LRQA, Kellanova implements a supplier engagement program with global Tier 1 supplier sites that encompasses specialised assessments and remediation and capacity building.

The program has evolved over the years as we continuously grow the number and type of suppliers we engage with. After a focus on priority risk (i.e., high-risk, high-spend) suppliers during 2020-2022, we have moved to engage with moderate risk (i.e., high-risk, lower-spend) suppliers during 2023.

As part of this program, specialised assessment tools and worker surveys are deployed at identified supplier sites.

To remediate any issues identified during the specialised assessments, relevant sites carry out a root cause analysis and implement a corrective action plan (CAP) supported through monthly capacity building calls led by LRQA. In addition, eLearning modules were assigned to Kellanova's global supplier sites with extreme and high-risk findings.

Results of the 2023 supplier engagement program did not indicate the presence of forced labour indicators at participating Kellanova Australia supplier sites.



Engaging with workers in our supply chain

Our supplier engagement programs deploy worker surveys to ensure that we draw on insights from those that have a direct understanding of working conditions and drivers of exploitation. The surveys allow us to capture direct perceptions and opinions of a statistically significant sample of workers that on-site assessments alone cannot produce.

Workers complete the survey on their mobile device via an online platform through a provided hyperlink and QR code that allows workers access to the survey while providing an added layer of anonymity.

Results of surveys can flag key areas of risk and allow us to manage direct worker feedback to improve worker well-being.



Engaging with our Tier 2 suppliers

In 2023, Kellanova Australia partnered with LRQA to deploy a pilot program with the objective of establishing visibility beyond Tier 1 and identifying forced labour risks at Tier 2 supplier sites.

Working with high-risk Tier 1 suppliers, we identified four Tier 2 suppliers for engagement including three ingredient and one packaging supplier in Indonesia and Malaysia. At each of the four supplier sites we deployed worker surveys to assess modern slavery and broader human rights risks. The surveys were completed across December 2023 and January 2024, with results to be finalised in early 2024. If there are any adverse findings, we will work with the suppliers to discuss the results and possible corrective actions.

Our approach to remediation is informed by the UN Guiding Principles for Business and Human Rights which clarify actions to be taken depending on whether an entity causes, contributes to, or is directly linked to risks through its operations or supply chains.



Engaging farmers in high-risk commodity supply chains

We have developed programs to assess and address human rights risks, including modern slavery, in our high-risk commodity supply chains including palm oil, sultanas and cocoa. Through these programs we address human rights risks at an ingredient level and support the livelihoods of farmers.

During 2023 we continued our global programs which are further described in our case studies on page 11-13. These include:

- Cocoa supply chain: Kellanova partnered with non-profit organisation Enveritas to assess and verify that we are responsibly sourcing our cocoa purchases originating from Cote d'Ivoire.
- Palm oil supply chain: Our partnership with Wild Asia in Malaysia supports smallholder farmer livelihoods and helps increase their access to market through formal certification.
- Sultana supply chain: Together with the Fair Labor Associations (FLA) we help protect and advance the human rights of people farming and harvesting sultanas in Turkey.



CASE STUDY COCOA

Since 2022, Kellanova has partnered with Enveritas, a non-profit that verifies global supply chains for multinational food companies. Their focus is on hard-to-reach, fragmented smallholder supply chains, such as cocoa and coffee.

The Enveritas assessment covers a wide range of social, environmental, and economic criteria including child labour, forced labour, deforestation and banned pesticide use. Utilising recent cutting-edge technological advances in AI and satellite imagery, the Enveritas system goes beyond traditional schemes through more efficient, effective, and comprehensive on ground assessments that focus on progress over perfection, targeting smallholders, and holistic community specific interventions.

In 2023, Enveritas assessed and verified approximately 40% of the Kellanova Group cocoa purchases, all originating from Cote d'Ivoire, as responsibly sourced. The partnership provides Kellanova with an overview of our procurement footprint in Cote d'Ivoire and related risks while helping smallholder farmers position themselves for participation in export markets.

Each year, we are working to increase the percentage of our cocoa that is verified as responsibly sourced by Enveritas.



CASE STUDY

PALM OIL

Kellanova has a global commitment to source 100% Roundtable on Sustainable Palm Oil (RSPO) certified Palm Oil by the end of 2025.

To help us deliver on this commitment we continue to:

- Work with our palm oil suppliers to capture traceability information and progress toward No Deforestation, No Peat, No Exploitation (NPDE) via the NDPE - Implementation Reporting Framework (IRF)
- Be active members of the RSPO, and
- Work with local NGO, Wild Asia, to support smallholder farmers through two of their programs – the Small Producer Inclusivity and Resilience Alliance (SPIRAL), and the Wild Asia Group Scheme (WAGS).

We have partnered with Wild Asia since 2020 to help farmers improve crop yields, improve income, create products with minimal impact and gain formal certification for their crops.

Since 2022, we have supported 390 small holder producers to gain RSPO certification.



CASE STUDY

SULTANAS

Throughout 2023, we continued our partnership with the Fair Labor Associations' (FLA) Harvesting the Future (HTF) project to address human rights issues at origin and support responsible sourcing of sultanas originating in Turkey.

The HTF project brings together multiple stakeholders across multiple sectors to help create meaningful and sustainable change for workers and their families on the ground.

Working with eight of the most prominent sultana suppliers in the region, including suppliers in the Kellanova Australian supply chain, the project has conducted risk assessments and developed shared commitments on six priority areas: child labour; hazardous work by young workers; informality of employment relations; excessive working hours; lack of payment of minimum wages; and lack of basic service, such as water, hygiene, sanitation, and child protection.

Since we joined the project in 2020, the following achievements have been made:

- 48 members across the eight supplier teams participated in training for worker rights in agriculture and internal monitoring processes
- 12 training sessions on decent work principles were held with the farmers and suppliers in the program
- 100 farmers participated in various training sessions including migrant workers conditions; health and safety including the use of PPE and meeting basic needs of workers such as access to water and hygiene
- 422 farmers were involved in pilot projects to address child labour, farm level monitoring, responsible recruitment, health and safety, grievances and living wages.

Across all farms progress has been made towards child labour remediation, farm level monitoring, health and safety and responsible recruitment. Progress has not yet been made on grievance mechanisms and living wage, these will continue to be the focus of future efforts.



Kellanova's grievance mechanism

The global Kellanova Ethics Line offers a confidential way for employees, suppliers, contractors and the general public to ask questions and report concerns regarding ethics, compliance or any other requirements in our Global Code of Ethics and Supplier Code immediately and anonymously 24 hours a day, 7 days a week via telephone, internet or mobile app.

The Kellanova Ethics Line is operated confidentially by a third-party company and is available to complainants in 21 countries. The operator will listen to concerns or inquiries and provide a written summary to the Office of Ethics and Compliance for investigation and further action, as appropriate.

Regional compliance leaders review and resolve complaints and inquiries consistent with our investigation protocols. All complaints and inquiries are monitored and subject to review at the corporate level. Our goal is to complete investigations within 30 days.

Appropriate action is taken based on the findings. Lessons learned are used to prevent and detect future misconduct, ensure compliance, and find any other opportunities for improvement.

In addition, the Kellanova Ethics Line mobile app allows users to anonymously report issues and track the progress and status of their complaint.

Aside from the ability to report concerns, the app also provides access to our Code of Conduct, relevant policies, and training courses on various topics. It is available to all Kellanova employees as well as other stakeholders.

Complaint Topics Received in 2023

29

Accounting,
Auditing and
Financial Reporting

49

Business Integrity

79

Environment, Health
and Safety

403

HR, Diversity and
Workplace Respect

20

Misuse,
Misappropriation or
Corporate Assets

0

Forced Labour

2023 Kellanova Ethics Line Complaints

Number of
Complaint Tickets

580

Complaint Tickets
Closed

460

(79.3%)

Complaint Tickets
Substantiated

148

(25.5%)

Assessing the Effectiveness of our Actions

We are committed to continuously review and improve our approach to identifying, assessing, and addressing modern slavery risks in accordance with relevant legislation and international human rights standards.

To monitor the effectiveness of our processes and actions we track:

- The outcomes of third-party assessments in high-risk geographies. In 2023, we conducted assessments at a Kellanova site in Thailand and a co-manufacturer in Malaysia.
- The number of relevant employees that complete human rights training: In 2023, all new procurement staff undertook Modern Slavery training as part of their onboarding.
- The percentage of Tier 1 suppliers registered and active on Sedex and the percentage of sites linked: In 2023, 86% of the Kellanova AMEA suppliers were registered on Sedex and linked with Kellanova.

Recognising the importance of continuous improvement, in October 2023, Kellanova engaged LRQA to review our global approach to assess and address human rights risks and identify opportunities for improvement toward a risk-based due diligence program. Kellanova is in the process of reviewing the findings and will share further information on how we build on these to strengthen our approach in the next statement.



Consultation

Corporate Governance

Global social issues, including human rights, are overseen by the Kellanova Board of Directors, and are specifically managed through the Social Responsibility and Public Policy sub-committee of the Board.

At a global executive level human rights issues are overseen by the Chief Sustainability Officer, who reports to the Senior Vice President, Chief Global Corporate Affairs Officer.

At a day-to-day operational level these topics are managed collaboratively by our Corporate Affairs, Procurement, Legal, Human Resources and Supply Chain functions.

Human Rights Working Group

Our local Human Rights Working Group partners closely with the Kellanova AMEA (Africa, Middle East, and Asia) Responsible Sourcing and Procurement teams, and our Kellanova sustainability team, to deliver against our global Human Rights action plan and the annual Australian Modern Slavery report.

In preparing this statement, Kellanova Australia has engaged with a wide range of internal stakeholders across our local, regional, and global business units.

External consultation

In addition, LRQA was engaged to review our report and actions to date, and to provide advice on how to continue to strengthen our human rights strategy and reporting.



Looking Ahead

As we continue our responsible sourcing journey and work to embed human rights due diligence into our operations and supply chains we will continue to build awareness, share best practices, and act to address prominent human rights issues.

Specifically, we will:

- Continue to engage with our suppliers to ensure that they are registered on the Sedex platform
- Update Kellanova Australia site profiles on Sedex, with completed SAQ
- Conduct modern slavery training for all appropriate Kellanova Australia employees in 2024
- Continue to engage our suppliers on our human rights policies, commitments, and grievance processes
- Expand Tier 1 and Tier 2 supplier engagement programs in partnership with LRQA
- Continue to conduct an annual risk assessment of Kellanova Australia's suppliers
- Continue to collaborate with NGOs to implement programs on the ground that create a positive impact for workers in our supply chain.



Approval

The statement has been approved by:



Anthony Holme
Managing Director
Kellanova Australia and New Zealand



Janelle Meyers
Chief Sustainability Officer
Kellanova

1. Excludes logistics partners and Pop-Tarts which are imported from the US
2. The assessment utilised LRQA's supply chain intelligence platform EiQ and drew on insights from on-the-ground audit data and trusted civil society sources, complemented by Kellanova's sourcing data.
3. In-scope suppliers are defined as Tier 1 suppliers within the top 80% spend profile, all high-risk commodity suppliers (palm oil, cocoa, sugar cane), and/or those with high exposure to contract labour