



ANNUAL REPORT PURSUANT TO THE FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS ACT

2023

KELLANOVA CANADA INC.

Introduction

This report is prepared by Kellanova Canada Inc. (“**Kellanova Canada**” or the “**Company**”) for the financial year ending December 31, 2023 (the “**Reporting Period**”) pursuant to Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”). The report sets out the steps that the Company has taken to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by the Company or of goods imported into Canada by the Company. The report also provides supplementary information as is required under the Act.

Kellanova Canada conducts business activities in such a way as to do good for our communities, planet and people. As a business, Kellanova remains committed to building a resilient and responsible supply chain; one that addresses salient risks to communities around the world, from issues such as climate change and human rights, to driving for a world where everyone is not just fed but fulfilled through a strong social and environmental purpose strategy. Kellanova’s Better Days™ Promise is its commitment to advance sustainable and equitable access to food by addressing the intersection of wellbeing, hunger, sustainability, and equity, diversity and inclusion. Behind these issues are specific metrics to meet our goals and details describing the methodology for tracking these metrics, including as relates to the advancement of labour rights and working conditions, discussed in [Kellanova’s Better Days™ Promise Methodology](#). Kellanova Canada is an active participant in the Better Days™ Promise. This report details our approach and the key actions we are taking to tackle this complex issue and project fundamental human rights within our operations and supply chain.

Structure, Activities And Supply Chains

Kellanova Canada is incorporated under the *Canada Business Corporation Act* and is headquartered at 5350 Creebank Road, Mississauga, ON, L4W 5S1. Kellanova Canada is a wholly-owned subsidiary of Kellanova, a publicly traded corporation headquartered in Chicago, Illinois, and a leading company in global snacking, international cereal and noodles, plant-based foods and North American frozen breakfast markets. Kellanova Canada’s products are sold under iconic, world-class brands such as Eggo®, Cheez-It®, Rice Krispies Squares®, Pringles®, Town House®, Pop-Tarts®, and Special K®.

Kellanova Canada either imports salty snacks, portable wholesome snacks and frozen food products from other Kellanova owned manufacturing sites or third-party manufacturers located in the United States, or engages local Canadian producers to co-manufacture products. Kellanova Canada works with contract transport companies to deliver our products to customers’ warehouses



and distributions across Canada. These foods are sold to Canadian retailers through direct sales for resale to consumers.

Kellanova exercises a central procurement function and therefore, its activities, policies and procedures described in this report are undertaken in respect of Kellanova Canada's supply chain and procurement activity.

Kellanova relies on many suppliers for ingredients, indirect goods and services. Agricultural commodities – including corn, wheat, potato flakes, vegetable oils, sugar and cocoa – are the principal raw materials used in our products. Our principal packaging materials are carton board, corrugated and plastic. Our supply chain involves purchasing a broad range of goods and services, largely from North American sources. Kellanova may also source some global ingredients, such as cocoa (Ghana, Côte d'Ivoire), palm oil (Malaysia, Indonesia) and sugar cane (Brazil, Colombia, Thailand, Mexico).

Steps Taken To Prevent And Reduce Risks Of Forced Labour And Child Labour In Our Supply Chain

This report outlines the activities, policies and approaches taken by Kellanova Canada during the Reporting Period to prevent and reduce the risk that forced labour or child labour are used in Kellanova Canada's supply chain. Additionally, Kellanova Canada's parent company, Kellanova, took the following actions in respect of Kellanova's global supply chains and its central procurement function:

- Kellanova funded two projects to directly support its Human Rights Due Diligence Supply Chain work: (1) an [AIM-Progress](#) child and forced labour prevention supplier capability building initiative and launched child labour remediation guidance for more than 600 US supply chain partners; and (2) an [AIM-Progress](#) / [Embode](#) capacity-building training to prevent/mitigate/remediate the payment of recruitment fees of foreign migrant workers in our operations and supply chains. Embode will work directly with two labour providers and one logistics supplier to develop and enhance current processes.
- Kellanova partnered with five other companies on a one-year initiative to support [Verité's](#) development of a user-friendly, actionable mobile program to help ensure sugarcane cutters are protected against recruitment fee payment, have official contracts and are fully compensated for their work.
- Kellanova continued its participation in the ASACAM (the Alliance for the sustainability of the Sugarcane Agroindustry) working group, which works directly with the government, mill collectives and workers unions in Mexico and was convened in recognition of the need for sugarcane producers, processors and buyers to establish a common agenda to help ensure industry sustainability in Mexico by collectively addressing the unique opportunities and most salient issues in the country.



- In 2023, Kellanova performed annual third-party audits for four of its highest-risk facilities as part of its ongoing efforts to identify, prevent, mitigate and remediate issues within its operations.

Due Diligence Processes & Policies In Relation To Forced Labour And Child Labour

Kellanova Canada is subject to and benefits from Kellanova’s global policies and due diligence processes. Kellanova has clearly and publicly articulated a position in opposition to the use of forced and child labour, and this commitment is illustrated in both its due diligence processes and policies, which are discussed in greater detail below.

Due Diligence Processes

Kellanova Canada is committed to a supply chain free of forced and child labour. Kellanova Canada relies upon the due diligence processes developed by its parent company, Kellanova. Kellanova utilizes a combination of publicly available indices from reputable sources, including SEDEX Radar, to assess forced and child labour risk, and other salient risks, for supplier operations by region and commodity.

- Risk factors include regional location of operations, sector or commodity, degree of salience to industry identified issues, and supplier specific information.
- Targeted facilities are asked to complete a self-assessment questionnaire detailing policies and procedures related to labour practices to identify gaps that could indicate the possibility of, or potential for, human rights abuses or nonconformance.
- Targeted facilities are also subject to audits upon request.
- Use of the SMETA audit scheme, which includes on-site worker interviews based on the most recent methodology to determine the percentage of workers interviewed.

Since 2019, Kellanova has worked with [ELEVATE](#) to support the implementation of a comprehensive long-term, data driven responsible sourcing strategy that addresses salient human rights risks within priority Tier 1 ingredient and packaging supply chains. The Elevate led supplier assessment and engagement program consists of two phases:

- 1) Administration of one of four specialized assessments:
 - Critical Issues Worker Voice Survey
 - Worker Wellbeing Worker Voice Survey
 - Labor Issues Worker Voice Survey
 - On-site Social Assessment – ELEVATE Responsible Sourcing Assessment (ERSA)



- 2) Remediation and capability building:
 - Based on results of the specialized survey, Elevate supports the site through a three-month engagement to aid in the development of action plans to prevent, mitigate, or remediate identified areas of potential risk and root causes.
 - Aggregated and anonymized results are reported annually through [Kellanova's Social and Environmental Report and Human Rights Milestones](#).

Policies In Relation To Forced Labour And Child Labour

Better Days™ Promise

Kellanova's Better Days™ Promise is its commitment to advance sustainable and equitable access to food by addressing the intersection of wellbeing, hunger, sustainability, and equity, diversity and inclusion. Behind these issues are specific metrics to meet our goals and details describing the methodology for tracking these metrics, including as relates to the advancement of labour rights and working conditions, discussed in [Kellanova's Better Days™ Promise Methodology](#). Kellanova Canada is an active participant in the Better Days™ Promise.

Global Supplier Code of Conduct

Kellanova's [Global Supplier Code of Conduct](#) outlines the standards and business practices that Kellanova and its subsidiaries, including Kellanova Canada, requires all direct and extended suppliers to adhere to in all aspects, including explicit prohibitions on the use of forced and child labour by suppliers. The scope of this requirement includes all tiers of suppliers, external manufacturers, contractors, joint venture partners, agents, distributors, and consultants. It also extends to parent, subsidiary, agents, subcontractors, and affiliate entities and applies to all employees, including permanent, temporary, contract, foreign, or migrant workers. Kellanova's suppliers are required to ensure compliance with both the intent and letter of this Code among all employees and throughout its supply chain, including all sub-tier suppliers/individuals, through dissemination, education, and verification.

Global Human Rights Policy

Kellanova's [Global Human Rights Policy](#), highlights salient human rights risks within Kellanova's operations and global supply chain, which includes Kellanova Canada's operations and supply chain, and details Kellanova's refreshed human rights strategy for mitigating and remediating these issues. These risks were identified through a detailed internal materiality analysis and with the support of third-party consulting firm ELEVATE. The policy also re-articulates Kellanova's prohibition on the use of forced and child labour in its business operations. The Global Human Rights Policy supplements Kellanova's other foundational policies, the Global Supplier Code of Conduct and Policy Statement Prohibiting Involuntary Labor, that guide Kellanova's operations and inform its expectations for supplier and supply chain partnerships.



Kellanova's Global Human Rights Policy was crafted in accordance with the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises. We are committed to upholding the rights enshrined in the International Bill of Human Rights (including the Universal Declaration of Human Rights) and the eight International Labour Organization (ILO) fundamental conventions as set out in the Declaration on Fundamental Principles and Rights at Work. This includes our commitment to the four core conventions - Freedom of association and the effective recognition of the right to collective bargaining (Convention No. 87 & No. 98), the elimination of all forms of forced and compulsory labour (Convention No. 29 & No. 105), the effective abolition of child labour (Convention No. 138 & No. 182), and the elimination of discrimination in respect of employment and occupation (Convention No. 100 & No. 111). Kellanova is a signatory of the United Nations Global Compact and we intend to communicate our progress annually.

Responsibly Sourced Claim Verification Protocol and Guidance

Kellanova is committed to demonstrating that its ingredients are responsibly sourced, and are not produced using child and forced labour. Consistent with Kellanova's [Responsibly Sourced Claim Verification Protocol and Guidance](#), Kellanova gathers and tracks this information through Kellanova's proprietary Grower Survey as well as several additional industry standard platforms including SAI Platform. These tools allow Kellanova to measure continuous improvement over agronomic, environmental and social indicators.

Kellanova has a commitment to responsibly source 12 priority ingredients. Through this commitment, we have multiple programs in place to engage suppliers and farmers on social and environmental criteria. Annually, approximately 70 global suppliers are engaged in measuring continuous improvement across the row crop priority ingredients – corn, wheat, rice, potatoes, sugar beet, and fruits (strawberries and raisins).

Policy Statement Prohibiting Involuntary Labor

Kellanova and Kellanova Canada prohibit involuntary labour, including forced, child, indentured, bonded, slave or human-trafficked labour, within its business operations and our supply chain. Involuntary labour is a pervasive and insidious global issue that directly and negatively impacts basic human rights. We are committed to protecting human rights and maintaining an ethical and transparent supply chain, free of involuntary labour. As part of doing so, we have embedded our commitment into [Kellanova's Global Supplier Code of Conduct and Global Code of Ethics](#).

Global Palm Oil Policy

Kellanova's [Global Palm Oil Policy](#) recognizes the labour intensive nature of oil palm operations and the potential risk of exploitation of workers, and articulates Kellanova's commitment to engaging with oil palm suppliers and the supply chain to drive faster and more effective action to protect the environment and advance the cause of human rights. Kellanova requires all palm oil suppliers to be members of the Roundtable for Sustainable Palm Oil (RSPO) and adhere to its Global Supplier Code of Conduct, which includes a prohibition on the use of forced and child labour.



Kellanova Ethics Line

Kellanova's [Ethics Line](#) offers a confidential way for employees, suppliers, contractors and the general public to make complaints or report violations of Kellanova's Global Code of Ethics and Supplier Code, including concerns with respect to forced and child labour. The Ethics Line is operated for Kellanova by a third-party, confidential reporting company and is always available to Kellanova employees in 21 countries, including Canada. The operator receives information and provides a written summary to the Office of Ethics and Compliance for investigation and further action, as appropriate. All complaints and inquiries are monitored and subject to review at the corporate level. Following investigation, appropriate action is taken based on investigation findings. Lessons learned are leveraged to prevent and detect future misconduct, ensure compliance, and identify any other opportunities for improvement.

Risk and Steps Taken To Assess And Manage Forced Labour and Child Labour Risk

Kellanova Canada is alert to the risk of forced and child labour being used in its supply chains. Within the Kellanova global supply chain, high-risk priority ingredients and sourcing countries combinations include:

- Cocoa: Ghana, Côte d'Ivoire
- Palm Oil: Malaysia, Indonesia
- Sugar Cane: Brazil, Colombia, Thailand, Mexico

To manage the risks arising from its supply chains, Kellanova and Kellanova Canada rely upon their robust due diligence processes and policies described elsewhere in this report.

Measures Taken To Remediate Forced Labour Or Child Labour

Kellanova Canada is not aware of any incidents of forced or child labour in its supply chain during the Reporting Period and therefore the question of remediation has not arisen. Kellanova Canada will nevertheless continue to act in accordance with its commitment to respecting human rights and working to prevent the use of forced and child labour in its supply chains.

Measures Taken To Remediate The Loss Of Income To The Most Vulnerable Families That Results From Any Measure Taken To Eliminate The Use Of Forced Labour Or Child Labour In Its Activities And Supply Chains

Kellanova Canada is not aware of any incidents of forced or child labour in its supply chain and therefore the question of remediating the loss of income for vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour within its supply chains has not arisen.



Training Provided To Employees On Forced Labour And Child Labour


All Kellanova Canada employees receive annual training on the Global Code of Conduct, which addresses anti-corruption, anti-competitive behaviour, data protection and human rights, including forced and child labour.

How Kellanova Canada Assesses Its Effectiveness In Ensuring That Forced Labour And Child Labour Are Not Being Used In Its Activities And Supply Chains

Kellanova, on behalf of its subsidiaries, including Kellanova Canada, undertakes annual third-party audits of its policies and procedures related to forced and child labour, as well as audits of its highest risk facilities in an effort to assess its effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains. Kellanova's Ethics Line offers a confidential way for persons to report violations of Kellanova policies, including concerns with respect to forced and child labour. Kellanova also tracks relevant performance indicators, such as levels of employee awareness, numbers of cases reported and solved through grievance mechanisms and numbers of contracts with anti-forced labour and -child labour clauses. The information from these processes informs Kellanova's efforts to reduce the risk that forced and child labour are used in the supply chains of the Kellanova group.

Approval And Attestation

This report is approved and attested, as required under paragraph 11(4)(a) and subsection 11(5) of the Act.

Per: 

Name: Tony Chow
Title: President, Kellanova Canada Inc.
Date: May 29, 2024

I have the authority to bind Kellanova Canada Inc.