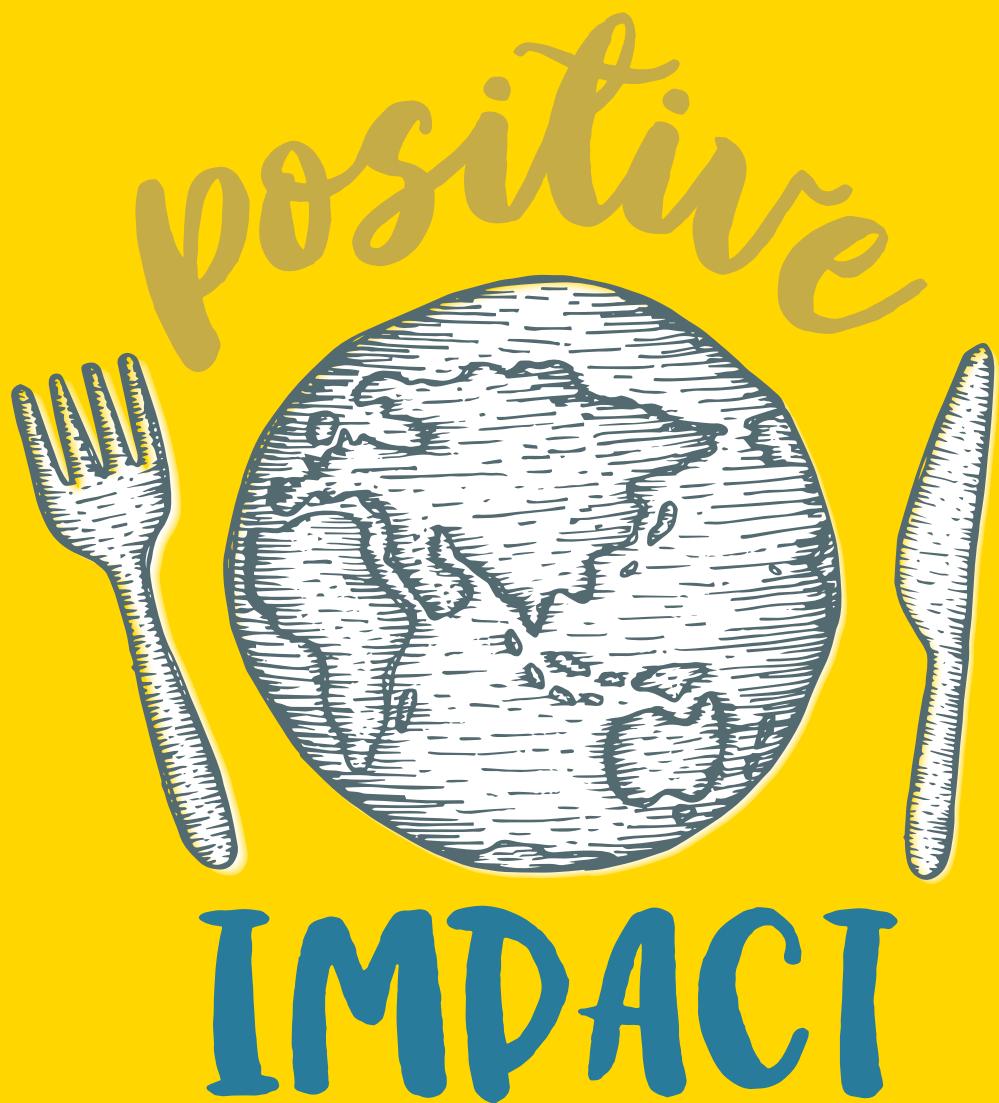


MODERN SLAVERY STATEMENT 2023



COLLINS FOODS LIMITED

ACN 151 420 781

Contents

Introduction	1
About Collins Foods	2
Our Operations	3
Overview of Our Supply Chain	4
Risk of Modern Slavery in Our Operations	5
Risk of Modern Slavery in Our Supply Chain	6
Actions to Assess and Address Modern Slavery Risks	9
Assessing Effectiveness of Our Actions	11
Focus Areas for the Next 12 Months	12
Consultation Process	13
Conclusion	13
Appendix	15

Our Mission

RESTAURANTS
done BETTER.

Acknowledgment of Country

Collins Foods Limited acknowledges the Traditional Owners and Custodians of the lands on which we operate. We pay our respects to Elders past, present and emerging.



Introduction

This Modern Slavery Statement (Statement) is prepared by Collins Foods Limited (CFL) and its owned or controlled entities (Group) pursuant to the requirements of the *Modern Slavery Act 2018* (Cth) (the Act).

.....

This Statement relates to the reporting period that commenced on 2 May 2022 and ended on 30 April 2023 (Reporting Period).

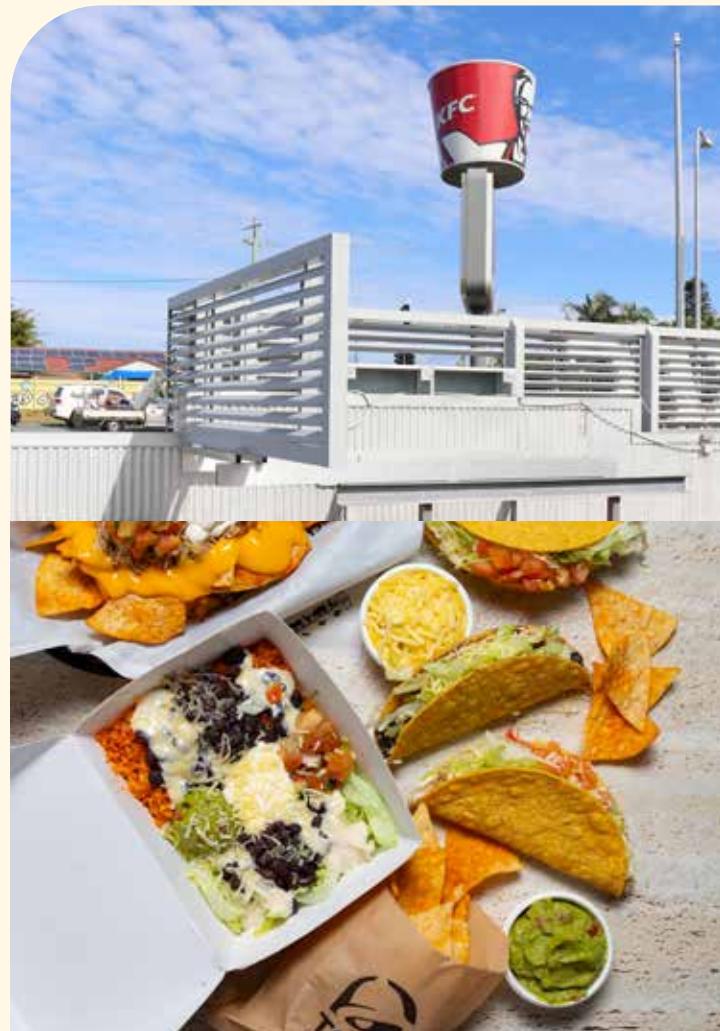
We are committed to conducting business to the highest possible ethical standards as set out in our Group Code of Conduct and Ethics & Integrity Policy. We will not tolerate any form of human rights abuse, including modern slavery, forced labour or human trafficking in our operations or supply chain. We are committed to looking after our people, our communities and our planet, as evidenced by the initiatives that are outlined in our Positive Impact Sustainability Report 2023.

This Statement describes the risk of modern slavery in the operations and supply chains of the reporting entities, and their owned or controlled entities, during the Reporting Period and details the steps taken to assess and address this risk.

This joint Statement reports on the activities of CFL and has been reviewed and approved by the Directors of each of the following reporting entities¹:

1. Collins Foods Limited (ACN 151 420 781)
2. CFG Finance Pty Limited (ACN 151 677 351)
3. Collins Foods Holding Pty Limited (ACN 113 801 648)
4. Collins Foods Finance Pty Limited (ACN 113 833 391)
5. Collins Foods Group Pty Limited (ACN 009 937 900)
6. Collins Restaurants Queensland Pty Limited (ACN 009 988 381)
7. Fiscal Nominees Company Pty Limited (ACN 166 936 278)
8. Collins Restaurants West Pty Limited (ACN 009 701 179)
9. Collins Restaurants South Pty Limited (ACN 612 129 781)

This Statement should be read in conjunction with the modern slavery statement submitted by our **KFC Australia Franchisor²** — **KFC Australia Modern Slavery Statement** (for the period ended 31 December 2022). Refer to [Appendix 1](#).



¹ Collins Foods Limited is the ultimate holding company of the Collins Foods Group, with all other entities listed above being 100% owned subsidiaries responsible for the operations of franchised restaurants or restaurant support services.

² KFC Australia is part of YUM! Brands Inc. and is the franchisor of the KFC brand in Australia. CFL does not own any shareholding in YUM! Brands Inc. or KFC Australia.

About Collins Foods

We are an ASX-listed entity and as a franchisee of YUM! Brands Inc, we operate KFC restaurants across Australia and Europe, and Taco Bell restaurants across Australia. Up until 11 July 2023, we also operated as the franchisor for Sizzler in Asia.

.....

As an employer of over 20,000 people in Australia, Germany and the Netherlands, we take great responsibility for providing equal opportunities within our workforce.

Six core values underpin everything we do. Our ongoing efforts to assess and address any potential modern slavery risks in our operations and supply chains are consistent with our values and our mission of 'Restaurants Done Better.'



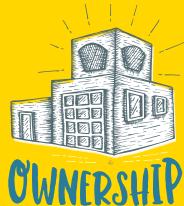
We are deeply committed to the wellbeing, development and safety of our people, and treat them as our family.



We are passionate about our customers. We work together to create unrivalled experiences.



'**Being Brilliant at the Basics'** is in our DNA — we are fanatical about driving performance and getting it right every time.



This is our company. We treat it like our own and take complete accountability for results.



Life is too short to stick with the status quo. **We think big and take bold moves** to make sure we are better tomorrow than today.



Our people, our communities, and our planet deserve our wholehearted commitment. **We want our growth to be sustainable.**

Our website www.collinsfoods.com provides further insights into our operations, suppliers and our aspirations to be the World's Top Restaurant Operator by creating unmatched experiences for both our customers and our people.

.....

Our Operations

With over half a century of experience, we are proud of our successful history and aim to continue our amazing journey with the following brands:



KFC Australia

- Own and operate 272 restaurants under franchise agreements with Kentucky Fried Chicken Pty Limited (KFC AU Franchisor).
- KFC AU is a subsidiary of Yum! Brands, Inc., based in Louisville, Kentucky. As a franchised business for KFC, our franchisor provides support for marketing, development, food innovation, supply chain and information technology services in exchange for service fees.



KFC Europe

- Own and operate 72 restaurants in Germany and the Netherlands.
- Party to a Corporate Franchise Agreement in the Netherlands, which allows us to manage and develop the KFC brand and business in the Netherlands.
- Restaurants in Germany are supported under a franchise agreement with KFC Europe Franchisor.



Taco Bell

- Quick service restaurants that offer Mexican-inspired food. We are a franchisee in Australia operating 27 restaurants under franchise agreements with Taco Bell Asia Franchising LLC (Taco Bell Franchisor), based in the USA.



Overview of our Supply Chain

In accordance with our franchise agreements, we are required to use goods and services that have been approved by our franchisor to prepare, market and sell products in our restaurants.

This ensures quality and consistency of products sold throughout the franchise system for both KFC and Taco Bell. Yum! Brands Inc conduct the sourcing and purchasing negotiations for food, packaging, equipment and other items on our behalf, which means supply and distribution arrangements are limited to approved supply and distribution partners of Yum! Brands Inc.

Our supply chain is made up of 'core suppliers' that provide critical products and services to our restaurants, such as food and beverage products, packaging, uniforms, distribution partners and delivery aggregators.

KFC Australia

Supply chain for core items is co-ordinated by KFC AU Franchisor, which conducts sourcing and purchasing negotiations for core supply chain items.

Our KFC AU Franchisor also provides us with certain advertising and marketing services, the provision of IT equipment and services for our restaurants.

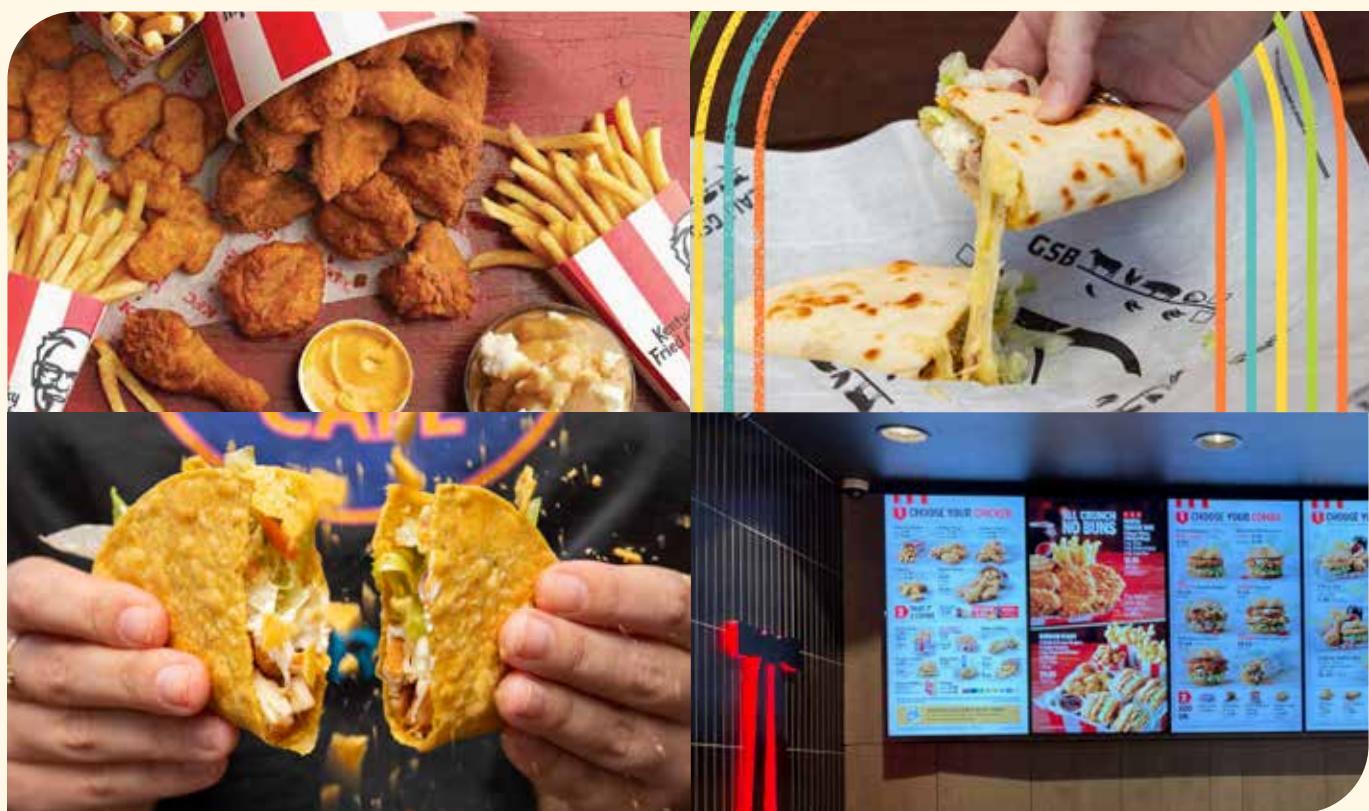
KFC Europe

Our Europe KFC restaurants' core suppliers are managed by KFC EU Franchisor.

Taco Bell

Our core suppliers are managed in partnership with our Franchisor, Taco Bell International.

The remainder of CFL's supply chain comprises various 'non-core suppliers' that provide products and services such as, restaurant equipment, construction, maintenance, marketing, IT, tax and legal consulting and cleaning services.



Risks of Modern Slavery in Our Operations

We recognise that the food industry is a high-risk sector for forced labour. We acknowledge that there is an inherent risk of employment of vulnerable workers due to the nature of our industry and the risks surrounding wage compliance.

.....

We require that team members working in our restaurants and our restaurant support centres must be:

- a) treated fairly and with respect;
- b) of working age and be working of their own free will; and
- c) paid in accordance with the relevant award and applicable legislation.

One of our core values is '*People at the Heart*' (refer to page 3 for details of all our values), and we are dedicated to supporting cultural diversity, positive mental health and ensuring our workplaces are safe, happy and welcoming.

We are committed to supporting vulnerable workers and protecting them from harm or abuse. We recognise our vulnerable workers include young workers, individuals from ethnic minorities, those who identify as LGBTIQA+, and staff with disabilities.

We annually assess diversity-related, measurable objectives such as gender diversity and the gender pay gap, which is also reported annually to meet our commitments under the *Workplace Gender Equality Act (2012)* (WGEA). These and more details on our initiatives to support all vulnerable workers can be found in our 2023 Positive Impact Report and WGEA report, both published on our website.

CFL has the following policies and procedures in place to outline and reinforce the expected appropriate behaviours and practices of all our employees and contractors:

- Group Code of Conduct
- Ethics and Integrity Policy
- Group Whistleblower Policy
- Discrimination, Harassment and Bullying Policy
- Grievance Resolution Procedure
- Recruitment & Employment of Young Workers Policy
- Diversity and Inclusion Policy
- Paid Parental Leave Policy
- Domestic and Family Violence Policy
- Supply Chain Management Code of Conduct
- Procurement Policy and Manual



Risks of Modern Slavery in Our Supply Chain

Core suppliers

Our core suppliers comprise major food, packaging, and distribution suppliers that are critical for the operation of our restaurants. For our Australian restaurants, approximately 98% of all food supplies are sourced locally.

.....

This ranges from the supply of Australian sourced chicken and beef, fresh produce, bread products, beverages, and seasonings. The supply chain also includes a variety of overseas sourced products for our Taco Bell restaurants, for example sauces sourced from Mexico.

Both KFC AU Franchisor and KFC EU Franchisor perform risk assessments of food and paper suppliers and require all food and paper suppliers to register on Sedex.³ These categories of procurement have increased risks of modern slavery in their supply chains by virtue of their industry risk (e.g. agriculture, manufacturing, and transport) and country risk in some instances.

Suppliers with a high-risk rating are required to have a third party Sedex Members Ethical Trade Audit (SMETA)⁴ completed, with any findings monitored by both our Franchisors in Australia and Europe. All supply partners are asked to review their data captured in Sedex and provide regular updates to our KFC franchisor supply chain teams with respect to where risks have been identified and how these have been addressed or mitigated. This information forms part of the quarterly supplier business reviews.

Most core suppliers for our Taco Bell restaurants are the same as our KFC Australia core suppliers. These suppliers are already registered on Sedex with our KFC AU Franchisor and therefore we leverage these due diligence controls and risk mitigants where applicable. We request any suppliers that are independent to the KFC brand, to register on Sedex.

In relation to delivery aggregator services, we acknowledge the potential modern slavery risks within their operations and supply chains. These relationships, contracts, and the review of their performance are managed by our Franchisors, and we rely on the assessments and actions taken by them.

During the Reporting Period, core suppliers made up the following portion of our total supply chain based on annual spend:

LOCATION OF OPERATIONS	CORE SUPPLIERS
Australia	53%
Europe	65%

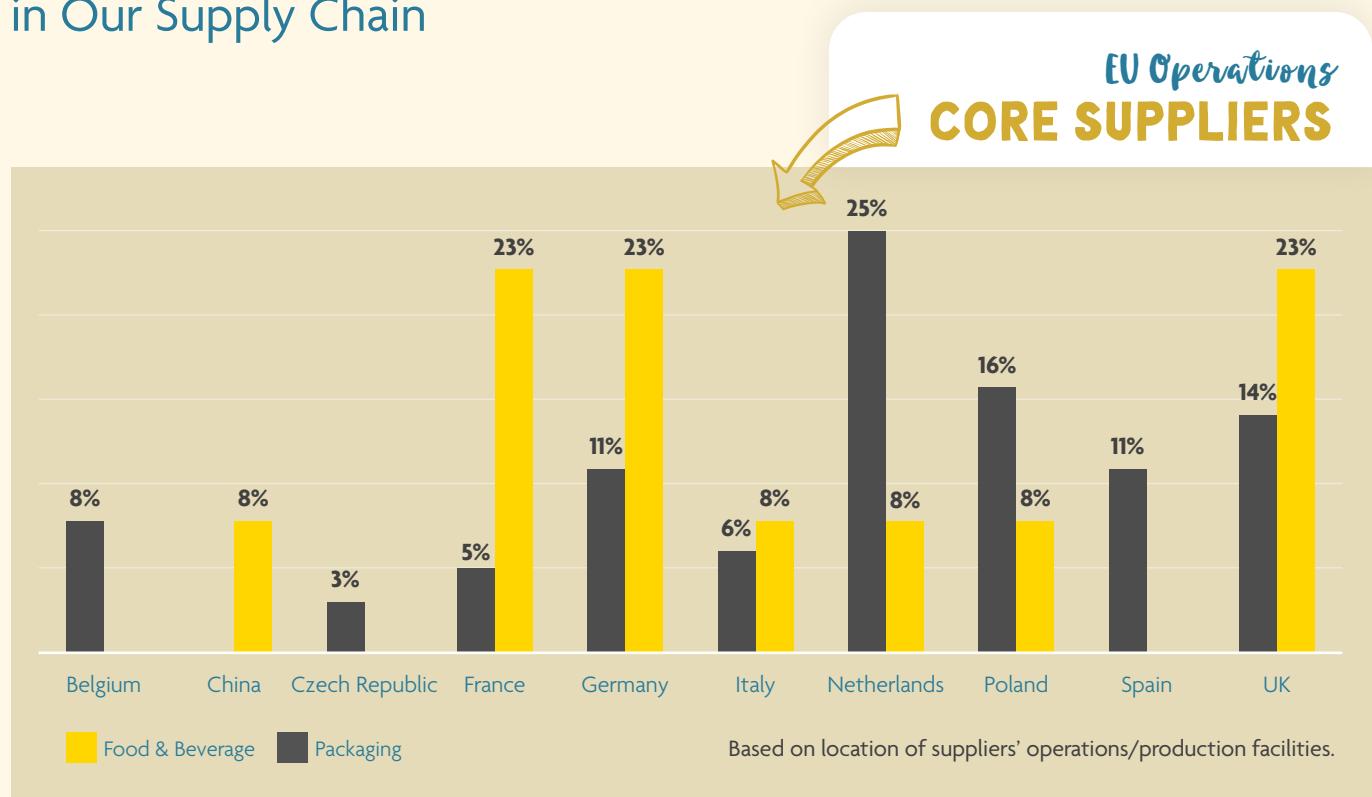
For our European restaurants, the core suppliers have a wider geographical dispersion.

A snapshot of the country of origin and Sedex rating for these supplies is set out on the next page.

³ Sedex is a responsible business trade membership organisation acting to improve working conditions in global supply chains by helping businesses achieve end-to-end supply chain transparency. For more information, refer to <https://www.sedex.com/>

⁴ <https://www.sedex.com/solutions/smeta-audit/>

Risks of Modern Slavery in Our Supply Chain



Each country's labour standards have been risk rated by Sedex as set out below.

COUNTRY	SEDEX RISK RATING
Belgium	Medium
China	High
Czech Republic	Medium
France	Medium
Germany	Medium
Italy	Medium
Netherlands	Low
Poland	Medium
Spain	Medium
UK	Medium

Risks of Modern Slavery in Our Supply Chain

Non-core suppliers

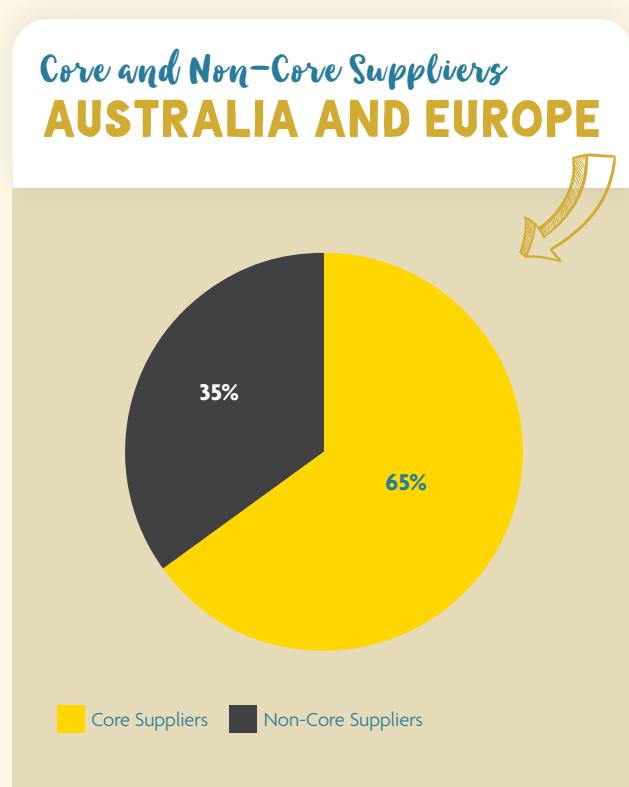
Non-core suppliers make up 35% of our total supply chain, providing non-food goods and services. We conduct a modern slavery risk assessment based on sector and supplier country of domicile, the risk relating to the product and services provided, and the annual procurement spend.

At this stage we have limited visibility in relation to our non-core supply chain beyond the first tier. We recognise the need to improve our visibility beyond tier one in future Reporting Periods. Details of our future initiatives to further progress our maturity can be found on page 9 of this Statement.

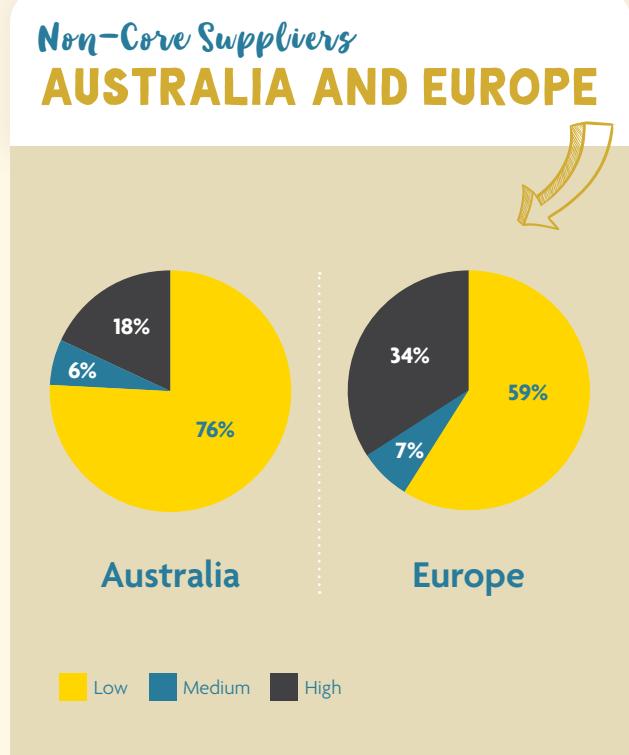
As part of the supplier onboarding process, CFL reviews the results of the Approved Supplier Questionnaire which provides information on the suppliers' accredited food safety system, risk management, customer complaints, auditing, insurances, and information on where the products are manufactured.

One of CFL's key sustainability initiatives has been the introduction of solar power across 166 of our Australian restaurants. The procurement of solar power components including panels and associated electrical fittings has been identified as a potential modern slavery risk particularly in relation to their manufacture. Risk assessments performed by CFL have identified the countries of origin of these panels as including China, Malaysia, South Korea, Thailand and Vietnam. CFL continues to review and strengthen its due diligence processes in connection with solar panel procurement which involves countries where potential human rights violations are of heightened concern.

As at the end of the Reporting Period the risk profile of our non-core suppliers for both our Australia and European operations was as follows:



Based on annual spend.



The majority of the 'High Risk' non-core supplier consist of construction, maintenance, waste and pest control services.

Actions to Assess and Address Modern Slavery Risks

In accordance with the risk appetite set by the CFL Board, the Group has no appetite for any form of modern slavery or other unethical behaviour in our operations or supply chain.

In seeking to identify the modern slavery risks in our operations and supply chain, we align our assessment with the United Nations Guiding Principles (UNGPs) on the potential for our business to cause, contribute to, or be directly linked to modern slavery.

Operations

Utilising CFL's risk assessment framework, we have assessed there to be a low risk of modern slavery occurring amongst our team members employed across our restaurants and support centres in Australia, Germany and the Netherlands. This is supported by *The Global Slavery Index 2023 Report*⁵ which rates the prevalence of modern slavery in these countries as low. This does not mean our business operations in these locations are absent from risk nor that we are less rigorous with our due diligence processes in those regions. It is also noted that this "low risk rating" differs to the Sedex ratings as stated on page 7, due to these ratings based on all industries and not just food, beverage and packaging suppliers, which is the case for the Sedex ratings presented.

The Group has a robust framework in place for communication and training on workplace rights and conditions and requires compliance with all relevant labour legislation in each country that we operate. This is supported by relevant policies and procedures (*refer to listing on page 5*) which are reinforced by relevant training and internal and external reviews.

CFL has identified that on certain occasions some employees may have been entitled to receive additional allowances. A program is underway to review and confirm any instances where this may apply and this program will be completed in FY24.

Working groups have been established to ensure appropriate focus across disability, gender equality, LGBTQIA+ community and multicultural initiatives and policies.

Our franchisors in both Australia and Europe co-ordinate third party audits across our restaurants that verify that the brand standards and food safety practices are adhered to by all KFC and Taco Bell restaurants. These audits are carried out on a quarterly basis. The auditors have powers to inspect files on team members and can conduct random checks to ensure that team members are of working age.

We have delivered training to key personnel on modern slavery and how to assess risks with procurement with suppliers and understand the key signs of modern slavery. In addition, relevant staff have undertaken training to help with the risk analysis of suppliers.

CFL's board and management adopt high standards of corporate governance consistent with the ASX Corporate Governance Principles and Recommendations as described in our annual corporate governance statement published on our website.

Supply Chain

Both our KFC AU Franchisor and KFC EU Franchisor are members of Sedex, which we leverage to drive Sedex registrations by supply partners.

We continue to evolve and mature modern slavery due diligence processes by requesting high-risk non-core suppliers join the Sedex platform, complete questionnaires on modern slavery practices, and if required, complete a third-party SMETA audit.

As mentioned in previous Statements, our Procurement Policy provides guidelines for procurement being undertaken in a manner that enhances our integrity and reputation and promotes continuous improvement.

One of the primary means by which we assess and address the potential risk of modern slavery arising in our supply chain is through our contracting process with our suppliers. We recognise that our leverage with suppliers is strongest at the time of negotiating a contract. We use a contractor manager system, Rapid Global, to onboard suppliers, which requires suppliers to acknowledge our Supply Chain Code of Conduct.

Our Supply Chain Code of Conduct outlines the rules and standards of conduct that apply to third parties in the Group's food production and supply chain. It prohibits unlawful use of child labour and forced labour.



⁵ <https://www.walkfree.org/global-slavery-index/>

Actions to Assess and Address Modern Slavery Risks

During the Reporting Period, we continued registering our Australian and European operations suppliers on Sedex, including food and beverage suppliers, packaging, distribution partners and uniform providers and material non-core suppliers. Suppliers are required to complete self-assessment questionnaires.

To manage performance, audits of key suppliers are conducted annually by KFC AU and EU Franchisors, which includes a review of the supplier's internal processes and site visits, as required. Feedback is provided to suppliers to support and drive continuous improvement.

Remediation

Employees can escalate to their manager if they have any concerns or issues in relation to modern slavery, or if they wish to remain anonymous, employees and third parties are able to report via CFL's independently operated Whistleblower system. This process is outlined in the Group Whistleblower Policy and the Grievance Resolution Procedure that allows staff to raise concerns in a confidential and anonymous manner and without reprisals for whistleblowers. This channel is available for reporting modern slavery concerns.

If we did find that our business had caused or contributed to modern slavery, we would take guidance from the United Nations Guiding Principles (UNGPs), which provides that businesses in this situation need to remediate the impact by taking a person-centred approach protecting the safety, privacy and wellbeing of the affected person.

The process consists of:

1. Gathering evidence, physical and written, and assessing the extent and verified or unverified instance of modern slavery;
2. Escalating it to the relevant bodies within the organisation and authorities such as police if necessary;
3. Undertaking a full investigation of the situation including reviewing all evidence;
4. Implementing an appropriate corrective action plan, which may include contract termination with a supplier and/or worker compensation; and
5. Reviewing the effectiveness of our process and actions to ensure that modern slavery risks are proactively mitigated and prevented where possible.

Assessing Effectiveness of Our Actions

As part of embedded corporate governance and risk management processes, we monitor the effectiveness of our modern slavery approach and are committed to continuous improvement.

.....

During the Reporting Period, we have not identified any issues that could be linked to modern slavery.

The below provides a summary of the processes we have in place to assess the effectiveness of our actions and progress made on improving and refining our actions:

ACTION	PROGRESS MADE
Supply Chain Management*	We continue to evolve and mature modern slavery due diligence processes by requesting high-risk non-core suppliers to join the Sedex platform and complete a third-party SMETA audit. KFC Australia Core Suppliers: 75% have completed their SAQs and 100% of "High Risk" supplier sites had completed SMETA Audits (as at 30/05/2023). KFC EU Core Suppliers: 65% have completed their SAQs and 40% of all suppliers had completed SMETA Audits (as at 30/05/2023).
Training & Awareness	During the Reporting Period human rights/modern slavery awareness training was conducted for our European operations. Further modern slavery training and information sharing sessions were provided to relevant Australian employees and Directors.
Supplier Contracts	Reviews of key contracts with our non-core suppliers that require specific amendments in relation to modern slavery clauses continue and an update our Supplier Code of Conduct with an inclusion of a serious social misconduct termination event added.
ESG & Sustainability	CFL appointed a Group ESG & Sustainability Manager who will drive our ESG strategy and sustainability efforts across CFL to make a positive impact to our people, communities and planet.
Collins Family Fund	The Collins Family Fund which provides short-term, emergency support to employees who are experiencing unexpected financial difficulties, provided \$275,000 of support during the Reporting Period. This financial grant is available to all employees who work in the Collins Foods brands of KFC, Taco Bell or the Restaurant Support Centre.
Diversity & Inclusion	During the Reporting Period, various employee working groups across disability, gender equality, LGBTQIA+ community and multicultural groups were formed.

* Managed by Franchisor (YUM!)

Focus Areas for the Next 12 Months

At CFL we are committed to the continuous improvement in our approach and maturity around addressing modern slavery risks within our operations and supply chains.



Our focus during the next reporting period will be:

ACTION	DETAILS
Partnering & Consultation	Further consultation and collaboration with our suppliers, business peers and industry bodies to help educate, improve processes and reduce modern slavery risks. A formalised structure to coordinate anti-slavery efforts will be set up with our Franchisors.
Modern Slavery Working Group	Establish a committee to drive the design and implementation of CFL's Modern Slavery Strategy and enhance human rights/modern slavery disclosures within CFL's Annual Sustainability Report.
Supply Chain Mapping	We will further map our supply chains to gain a comprehensive understanding of the potential risks and identify areas for improvement. Areas of focus will be suppliers who provide goods and services in relation to restaurant construction, maintenance, delivery aggregators and waste & pest management services. With the target to have these suppliers signed up to the Sedex platform in the next 12 months.
Ethical Audit Framework	Develop and roll out CFL's supplier audit framework policy and processes, leveraging on the expertise of Sedex and embedded due diligence process of our Franchisors.
Supplier Capacity Building	We will work closely with our suppliers to provide training and support to improve their labour practices and ensure compliance with our ethical standards through webinars and training sessions facilitated by Sedex and our Franchisors.
Education & Training	Continue to train and develop our people to have a better understanding of modern slavery risks, to help identify potential risks within our operations and when interacting with our supply chain. Leveraging our partnerships with Sedex and our Franchisors to help support our supply chain and elevate their maturity in relation to the management of modern slavery risks.

Consultation Process

The reporting entities making this statement, and their owned or controlled entities, have been consulted in its preparation.

.....

Executives performing group level functions across our Group have provided input in relation to our operations, procurement, and supply chain.

This Statement has been prepared in consultation with the CFL Executive Management team.

We have engaged with our franchisor in Australia, Kentucky Fried Chicken Pty Limited, which is also required to comply with the Modern Slavery Act 2018 (Cth). We also engaged with our KFC Europe Franchisor that is required to comply with the UK laws on modern slavery.

Conclusion

This is an ongoing commitment by the reporting entities to gain visibility into the risks of modern slavery in our operations and supply chains and to embed processes within our business to strengthen our management controls to mitigate these risks.

.....

This Statement was approved by the Board of Collins Foods Limited, the parent entity of the reporting entities and the directors of each of the reporting entities. The Statement has been signed by a member of the Board of Collins Foods Limited on behalf of all reporting entities.



Robert Kaye SC
Chair

11 October 2023



COLLINS FOODS LIMITED

ACN 151 420 781

Appendix 1

KFC MODERN SLAVERY STATEMENT

2022

1 JANUARY 2022 – 31 DECEMBER 2022

The reporting entities for the purposes of this modern slavery statement are:

1.Kentucky Fried Chicken Pty Ltd ACN 000 587 780 (KFCPL),

2.KFC ADCO Limited ACN 083 047 992 (KFC Adco), and

3.ACN 085 239 998 Pty Ltd ACN 085 239 998 (ACN 085),

collectively, KFC Australia or KFC for the purposes of this statement.

Please refer to slide 4 for further details on the entities and the scope of this statement.

CONTENTS

Title Page	1
Contents	2
General Manager's Message	3
Who Are We	4
Overview of Operations	5
Overview of Supply Chain	6
Diagram of Supply Chain	7
Map of Supply Chain	8
Risks of Modern Slavery in Operations	9-10
Risks of Modern Slavery in Supply Chain	11-12
Sedex – Mapping Supply Chain	13-14
Assessing Risk – Supply Chain and Operations	15-17
Addressing Risks – Supply Chain and Operations	18-22
Assessment of Effectiveness	23
Consultation Process	24
Our Path Forward	25
Sign Off	26

The information contained here in is current as of 30 May 2023.

GENERAL MANAGER'S MESSAGE



KRISTI WOOLRYCH
GENERAL MANAGER
KFCPL

A handwritten signature in black ink, appearing to read "Kristi Woolrych".

On behalf of KFC Australia, I am pleased to share this fourth iteration of KFC Australia's modern slavery statement. This statement covers the important work undertaken by KFC Australia for the period 1 January 2022 to 31 December 2022.

KFC Australia is committed to conducting business ethically, legally, and in a socially responsible manner. As part of our obligations under the *Modern Slavery Act 2018* (Cth) (MSA) and building on KFC Australia's last modern slavery statement, we are continually taking steps to identify and mitigate the risk of modern slavery occurring within our operations and supply chain.

During the reporting period, our modern slavery working group has worked tirelessly to automate modern slavery training, and drive Sedex registrations by KFC Australia's supply partners. KFC Australia views Sedex registration as a foundational step in mitigating modern slavery risks within KFC Australia's supply chain and operations.

On behalf of the KFC Australia leadership team, I would like to thank KFC Australia's modern slavery working group, franchise partners, and supply partners for their ongoing commitment and efforts to KFC Australia's modern slavery mitigation strategy.

Thank you.

Kristi Woolrych
General Manager of Kentucky Fried Chicken Pty Ltd

WHO WE ARE



KFC Australia is a part of Yum! Brands, Inc. (**Yum! Brands**), and the global KFC chicken restaurant brand which has a rich, decades-long history of success and innovation. It all started with one cook, Colonel Harland Sanders, who created our world-famous Kentucky Fried Chicken recipe more than 75 years ago – a list of 11 secret herbs and spices scratched out on the back of his kitchen door. Today, the brand still follows his formula for success, with real cooks breading and freshly preparing delicious chicken by hand.

Yum! Brands is listed on the New York Stock Exchange, and is based in Louisville, Kentucky. It is the world's largest restaurant company, with a combined global system of more than 55,000 restaurants in over 155 countries and territories, across the KFC, Pizza Hut, Taco Bell and The Habit Burger Grill brands.

While each of the reporting entities covered in this statement is a subsidiary of Yum! Brands, specifically we note:

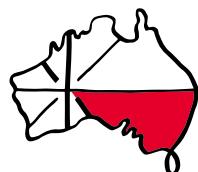
1. **ACN 085** is a franchisor of the KFC brand in Australia and the

holding company of KFCPL. This is a non-trading entity.

2. **KFCPL** is the primary franchisor of the KFC brand in Australia and New Zealand. KFCPL owns and operates company-owned restaurants in Australia. KFCPL owns 4 entities that are non-trading entities: Northside Fried Chicken Pty Ltd, Ashton Fried Chicken Pty Ltd, Gloucester Properties Pty Ltd and Newcastle Fried Chicken Pty Ltd. KFCPL has restaurant support centres (**RSC**) in New South Wales, Victoria and South Australia. These RSCs work closely with the KFC franchise

network across Australia and New Zealand.

3. **KFC Adco** is primarily involved in the management of marketing and advertising spend for its members, and the promotion of the KFC brand in Australia. The members of this company are KFCPL and KFCPL's franchise partners in Australia.



1968

First KFC opened in 1968 in NSW. There are 753 restaurants in Australia including 53 company owned stores.

43,000

KFC restaurants employ approximately 43,000 team members between KFCPL and KFC franchise partners.

4200

KFCPL employs 4200 direct staff across its company owned stores and its restaurant support centres in NSW, VIC and SA.

51

Franchisor of 51 franchise partners who own 93% of KFC restaurants in Australia.

55,000

KFC Australia and its related entities are subsidiaries of Yum! Brands. Yum! Brands has over 55,000 restaurants in 155 countries and territories and is listed on the New York Stock Exchange.

\$8.417m

The KFC Youth Foundation in Australia has raised over \$8,417m since 2018.

OVERVIEW OF OPERATIONS

KFCPL's operating business consists of operating both the KFC restaurants that KFCPL owns directly, and licensing, in its capacity as franchisor, the KFC system, system property and trademarks to KFC franchise partners in Australia and New Zealand. KFCPL's operations also include the provision of certain supply chain management services for franchise partners and the provision of certain advertising and marketing services for KFC Adco. In addition, from time to time, KFCPL sources information systems, equipment and services for KFC restaurants, along with building and construction materials and maintenance services.

KFCPL's operations in Australia require the support of various internal departments, primarily located at KFCPL's RSCs. These departments include development, operations, food innovation and technology, quality assurance, marketing, supply chain, legal, information systems (IS), corporate affairs, finance and human resources.

KFCPL franchise partners do not form part of KFCPL's operations and supply chain for the purposes of MSA reporting but do provide fees to KFC Australia through the payment of royalties, and advertising and supply chain contributions pursuant to their franchise agreements.

KFC Adco's operational activities are completed by KFCPL, and as such KFC Adco's operations should be considered in conjunction with KFCPL for the purposes of this statement.

ACN 085 is non-trading holding company, and as such does not have any operations required for consideration as part of this statement.



OVERVIEW OF SUPPLY CHAIN

Under the KFC franchise agreements, to ensure the quality and consistency of KFC products sold throughout the KFC franchise system, KFC franchise partners are required to use goods and services that have been approved by KFCPL to prepare, market and sell products in their KFC restaurants.

In order to assist with this consistency, KFCPL conducts sourcing and purchasing negotiations for food, packaging, equipment and other items for its own restaurants and also on behalf of KFC franchise partners. This is done via the centralised supply chain team within KFCPL, that negotiates supply and distribution arrangements to be made available by approved supply partners to KFCPL's restaurants, as well as KFC franchise partners. Please see slide 7 for a diagram illustrating KFCPL's supply chain.

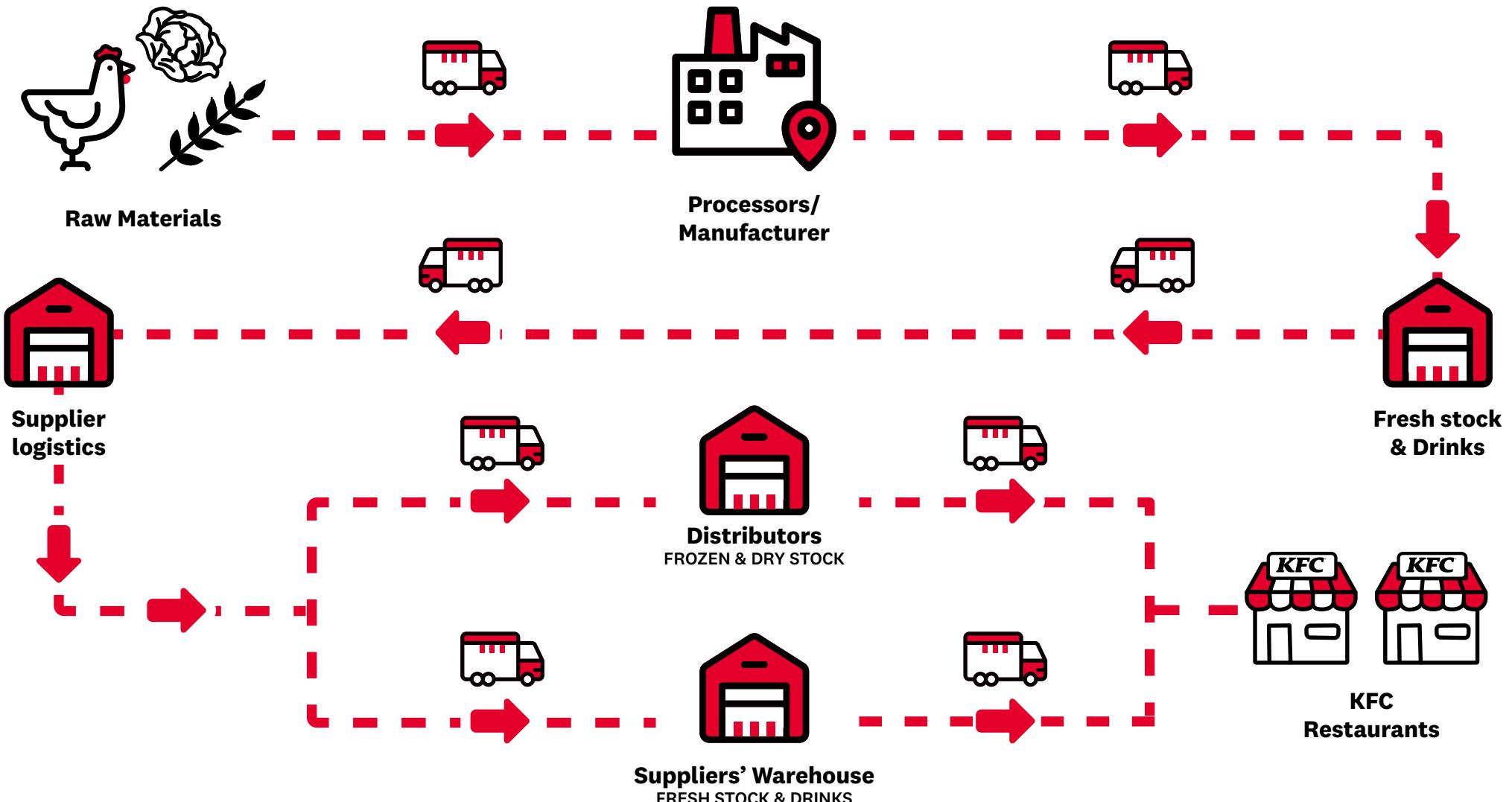
Based on a high-level review of KFC Australia's supply partners, please see slide 8 for a map detailing the location of KFC Australia's key supply partners.

KFC Adco's supply chain is focused exclusively on KFC Australia's marketing activities in Australia. KFC Adco's supply arrangements are primarily with marketing agencies. While not without risk, we consider KFC Adco's supply chain to be of low modern slavery risk. Notwithstanding this, please note that KFC Adco's supply chain is included in all mitigation actions outlined in our path forward, and KFC Adco is in the process of seeking Sedex registration by each of its marketing agencies.

ACN 085 is non-trading holding company, and as such does not have any supply chain considerations for this statement.

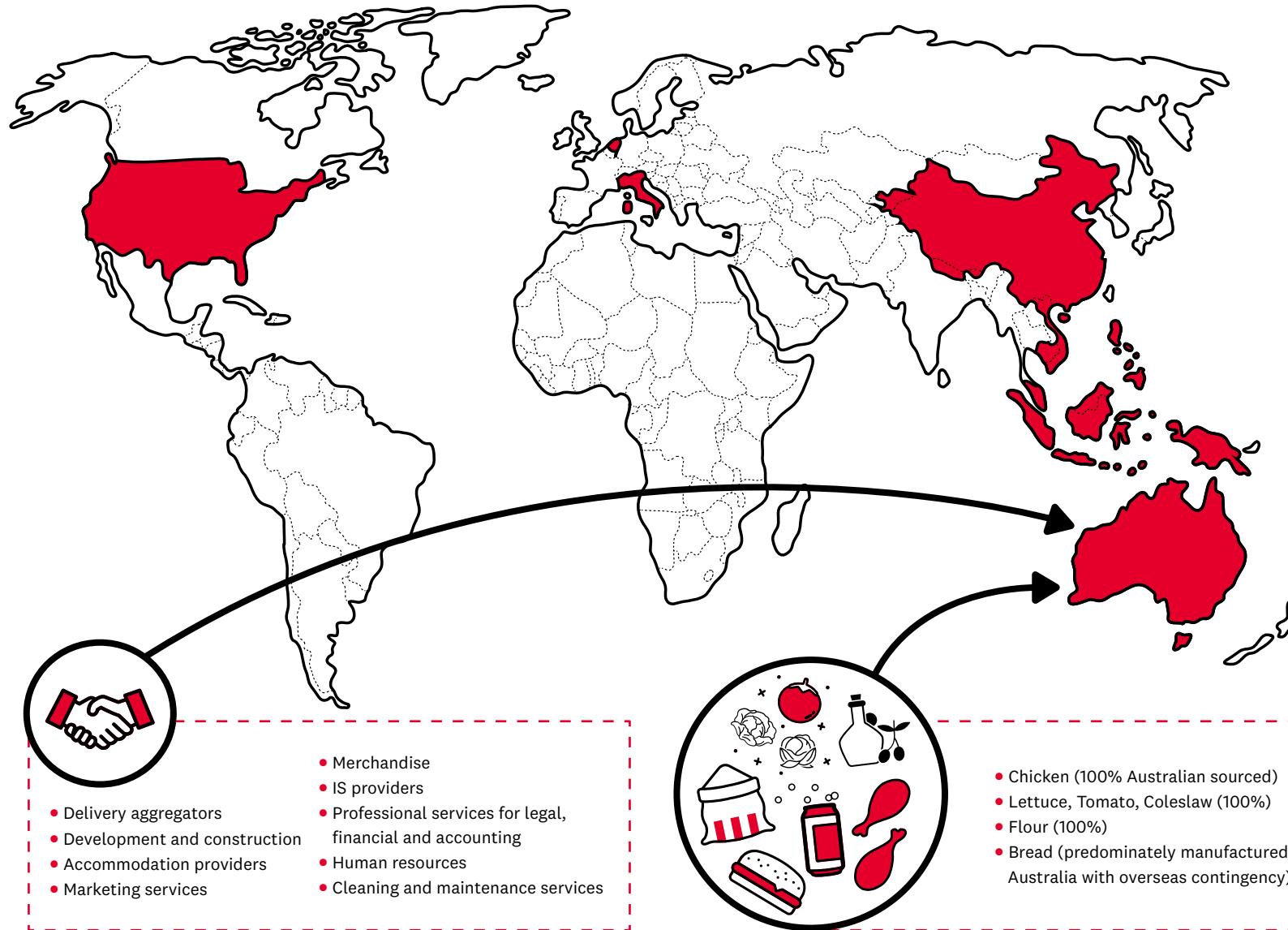


DIAGRAM OF SUPPLY CHAIN



MAP OF SUPPLY CHAIN

While some items contain imported ingredients, approximately 98.7% of KFC Australia's food (based on spend) is manufactured in Australia.



Packaging

- Australia
- China
- Vietnam
- Hong Kong
- Indonesia
- Malaysia
- USA



Chips

- Australia
- Netherlands



Uniforms & Merchandise

- China



Equipment

- USA
- Italy
- China
- India



Smallwares

- South East Asia
- North America

RISKS OF MODERN SLAVERY IN OPERATIONS

Risk Assessment and Mitigation Actions – Operations

Utilising KFC Australia's internal risk assessment tools, we have assessed there to be an extremely low risk of modern slavery occurring amongst KFC Australia's team members who are employed within the RSCs, or the KFCPL owned KFC restaurants in Australia.

Notwithstanding our risk assessment in this regard, we acknowledge that modern slavery is not simply an offshore concern, and there is an inherent risk of employment of vulnerable workers in Australian restaurants due to the nature of the quick-service restaurant industry and the demographic of our workforce. As such, we have implemented a number of measures to mitigate the risk of any modern slavery occurring within KFC Australia's operations. These measures are outlined on the next page.



RISKS OF MODERN SLAVERY IN OPERATIONS

Risk Assessment and Mitigation Actions – Operations

In an effort to identify and mitigate the risk of modern slavery in KFC Australia's operations, we note the following.

-
- 1 KFC Australia takes its team members' safety and employment very seriously, both at its company owned restaurants and at the restaurants owned and operated by its franchise partners. KFC Australia has a robust framework in place for communication and training on workplace rights and conditions, and mandates compliance with all relevant labour legislation and standards within our franchise agreements.
 - 2 KFC Australia's team members are all paid according to market conditions or the relevant award and applicable legislation. We have in place processes to ensure that staff are legally entitled to work, including that they are of legal working age.
 - 3 In 2020, KFC Australia and its franchise partners implemented a workforce management software solution that manages time and attendance functions for all KFC restaurants. This system aims to ensure that all of our team members, and the team members of our franchise partners, are paid correctly in accordance with the KFC National Agreement 2020.
 - 4 KFC Australia has centralised training programs that train our team members on how to operate our equipment in restaurants, provide world-class customer service and also on ethical behaviour and our KFC service standards. These training programs include a compulsory national onboarding training program which trains team members on both the whistleblowing policy and KFCPL's open-door policy. These policies are supported by posters in restaurants providing contact phone numbers for anyone looking to raise concerns, and compulsory annual refresher training on these policies.
 - 5 Building on the work conducted in 2020, in 2021 KFC and its franchise partners commenced the implementation of a safety management software solution that manages vendor and contractor compliance with aspects of the *Workplace Health & Safety Act 2011* (Cth). This program provides risk information to ensure worker competence and safety. In addition, the system assesses insurance coverage to ensure that it is adequate and valid for the work they are conducting. This system allows criteria to be developed into a workflow management system which can then assess risk and accountability, and generate corrective actions where required. A national roll out of this system has been completed by KFC Australia.
 - 6 To support compliance, KFC has third-party auditors that verify that KFC brand standards and food safety practices are adhered to at all of its restaurants. These audits are carried out at all KFC restaurants quarterly. These auditors have been trained to inspect team member files and conduct random checks to ensure that team members are of working age. In addition, our people excellence coaches assigned to our KFC Australia restaurants review these records, check that team members are of working age and conduct reviews of staff rosters in stores.
-

RISKS OF MODERN SLAVERY IN SUPPLY CHAIN

Risk Assessment and Mitigation Actions – Supply Chain

In an effort to identify and understand the risks of modern slavery practices in KFC Australia's supply chain, KFC Australia undertakes its own risk assessments and utilises a third-party platform and service provider called Sedex.

In the first instance KFC Australia engages in risk assessments of its supply partners across food, beverages, packaging, restaurant development and maintenance, IS, marketing, merchandise, office contractors, finance and delivery aggregators. This risk assessment process involves KFC Australia's team members having conversations with supply partners and utilising the developed internal risk assessment toolkit. This toolkit provides the teams with guidance on how to effectively engage with supply partners in conducting a risk assessment and implementing measures to address the identified risks. With consideration given to the annual expenditure of KFC Australia with the relevant supply partner, and the results of the internal risk assessment, KFC Australia requires all significant supply partners, and those supply partners that are deemed to be of medium to high risk in the context of the internal risk assessment, to register with Sedex.

While we began to ask food and paper supply partners to register with Sedex in March 2019, we have now extended Sedex registration, and the completion of the Sedex self-assessment questionnaire (**SAQ**), to both:

-
- 1** the supply partners that are of significant size and value to KFC Australia, and
 - 2** those smaller supply partners deemed to be of medium to high risk from the results of our internal risk assessments.
-



RISKS OF MODERN SLAVERY IN SUPPLY CHAIN

Risk Assessment and Mitigation Actions – Supply Chain

For context, the Sedex SAQ process collects data on four areas: labour standards, health and safety, business ethics and environment. Following the completion of SAQs by the supply partner, Sedex assesses the supply partner's responses and each site receives a “combined risk rating” to provide an indication of a supply partner's potential modern slavery risk. KFC Australia uses these ratings to understand the risk of modern slavery associated with each of its supply partners. Our supply partners are regularly being asked to review their data captured in Sedex and provide regular updates to our teams on where risks have been identified and how these risks have been mitigated or eliminated.

To ensure that modern slavery prevention remains a regular discussion point with KFC Australia's supply partners, modern slavery and Sedex is a standing item agenda for all quarterly and annual business reviews. We continue to partner with all supply partners and maintain a continuous dialogue and focus on modern slavery across KFC Australia's supply chain.

Please see slides 13 and 14 for further details on Sedex, and a snapshot of the risks identified via the Sedex platform.



Kentucky
Fried Chicken

SEDEX - MAPPING SUPPLY CHAIN

Using Sedex to gain greater transparency on our supply chains

In order to better our understanding of the potential risks of modern slavery in our supply chains, in February 2019 KFC Australia became a member of responsible business organisation Sedex. We engaged with Sedex's team to help us shape the development of the KFC Australia anti-modern slavery compliance project, and we continue to engage with Sedex on a regular basis to understand best practices in the area of anti-modern slavery.

What is Sedex?

Sedex is a responsible business trade membership organisation acting to improve working conditions in global supply chains by helping businesses achieve end-to-end supply chain transparency. It began in 2004 as a data platform to help suppliers share data with multiple customers. "Sedex" stands for "Supplier Ethical Data Exchange". Sedex is now a global company and network, servicing almost 74,000 members across 170 countries.

Sedex provides a standardized risk assessment framework involving three tiers of risk information. At its broadest level this information includes high level country, sector and commodity risk. More specifically individual suppliers can be subjected to a risk assessment utilizing a standardized self-assessment questionnaire to understand their particular circumstances in relation to areas such as labour, environmental considerations, occupational health and safety and corporate ethics. The third and most targeted information level is obtained via on site audits utilising the Sedex SMETA methodology. The audits are aimed at identifying specific deficiencies or areas of non-compliance within the audited supply partner. These audits form the basis for remediation plans in respect of areas of non-compliance.



The SAQs collected data from suppliers on above four pillars.



SEDEX - MAPPING SUPPLY CHAIN

75% of connected supply partners have completed the SAQ to 100%.

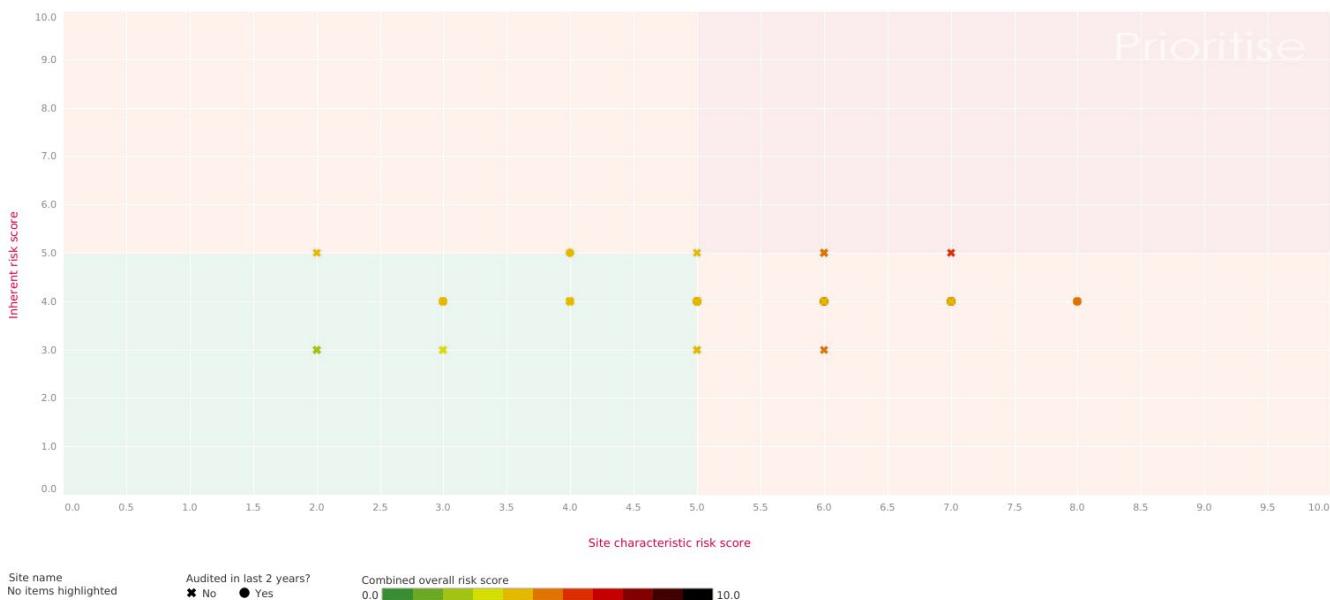
Over **39%** of KFC supply partners on SEDEX have completed a Social Compliance Audit.

92.5% of sites who completed their SAQ received a “medium risk” or “low risk” combined risk rating on SEDEX.

7.5% of sites received a “high risk” combined risk rating on Sedex.

100% of these “high risk” sites were audited in 2022. We aim to have these audits repeated in 2023.

SEDEX - RISK ASSESSMENT TOOL



ASSESSING RISK – SUPPLY CHAIN AND OPERATIONS

From the results of our risk assessments, we are cognisant of the inherent and apparent risks in the textile, agriculture and meat processing industries, and by extension, our supply partners who operate in those industries due to the vulnerable nature of their workforce, the repetitive production process and the competitive pressures of those industries.

We are also aware that we do not have sufficient data on those supply partners who have not yet registered with Sedex, completed their SAQ and been audited by Sedex.

We also recognise that reliance on the combined risk rating alone is limited to the extent that it looks at the potential risk of modern slavery at the site level of each of our direct supply partners, but does not offer enough insights into the supply chains and operations of our supply partners. This risk is coupled with the fact, that until an independent audit is completed by Sedex, we are reliant on our due diligence and the information shared by our supply partners.

Further we have assessed that there is a risk that KFC Australia may be linked to potential modern slavery in the operations and supply chains of its KFC franchise partners. However, we are not aware of any actual instances of modern slavery and have provided information to our largest franchise partners about modern slavery and their obligations under the MSA. We will continue to engage with our largest franchise partners on embedding anti-modern slavery processes and procedures.

We recognise that there will inevitably be modern slavery risks below our first-tier supply partners that will be difficult to detect, and we are exploring ways of extending our reach beyond our first-tier supply partners. Our goal in the short term is that our influence on our direct supply partners in our first-tier supply chain will influence the level of modern slavery risks in the lower tiers of their supply chain.



ASSESSING RISK – SUPPLY CHAIN AND OPERATIONS

In 2019, KFC Australia mapped its supply chain relating to our non-core supply partners. We engaged external advisors to assist us with this analysis. We assessed the non-core supply partners against three contextual categories:

- 1** Country and sector context;
- 2** Workforce demographics; and
- 3** The characteristics of risk management processes or controls.

While the majority of our non-core supply partners are based in Australia, providing goods and services to our RSCs and KFC restaurants in Australia, these supply partners are now subject to our internal risk assessment process, and required to register with Sedex as appropriate.



KFC'S NON-CORE SUPPLY PARTNERS

Category	Origin
Equipment	Italy, U.S.A, China, India and the Philippines
Development and construction	Australia – mapping further
Key raw materials and construction materials used in our KFC restaurants	Australia – mapping further
Accommodation providers	Australia
Marketing services	Australia
Merchandise	Australia, China
Information and technology service providers that provide direct support to KFC's restaurants and RSCs and support our ecommerce channels	Australia
Professional services for legal, financial and accounting	Australia
Human resources	Australia
Cleaning and maintenance services	Australia
Delivery aggregator services	Australia

Category	Risk Assessment	Findings
Equipment	Medium/High	We have requested that identified high/medium risk supply partners register with SEDEX for further risk assessment.
Development and construction	Medium/High	We are focused on risks in the area of construction and development due to the nature of the workforce and subcontracting in this industry. We have committed to preparing a training video relating to modern slavery and Sedex, for use in this area.
Accommodation providers	Medium	Given the nature of this industry and the demographic of the workforce, our teams use KFC Australia's internal risk assessment toolkit to assess these providers.
Marketing services	Low	Risk is considered low in professional agencies and activation events. We are seeking Sedex registration by merchandise providers.
Information and technology service providers that provide direct support to KFC's restaurants and RSCs and support our ecommerce channels	Low	IS hardware and software support services are subject to the new vendor process, and we are seeking Sedex registration by the majority of these providers.
Professional services for legal, financial and accounting	Low	Risk considered low due to the nature of services provided and demographic of the workforce.
Human resources	Low	Risk considered low due to the nature of services provided and demographic of the workforce.
Cleaning and maintenance services	Medium/High	Given the nature of this industry and the demographic of the workforce, our teams use KFC Australia's internal risk assessment toolkit to assess these providers.
Delivery aggregator services	Medium/High	To address this risk, we have included contractual provisions requiring compliance with modern slavery legislation and our Code of Conduct. In addition, in an effort to monitor contractual compliance we have engaged with the aggregator service providers in an effort to improve their policies and procedures relating to anti-modern slavery.

ADDRESSING RISKS – SUPPLY CHAIN AND OPERATIONS



SEDEX

1 KFCPL began membership of Sedex in 2019, and remains a member.

2 In 2019 KFC Australia invited direct food and paper supply partners to join Sedex. This invitation has since been extended to new food and paper supply partners.

3 The work of encouraging new and existing supply partners to register with Sedex will be an ongoing workstream.

4 KFCPL was previously a member of the SEDEX Advisor Group. This provided KFC Australia with an opportunity to learn best practice across industries for addressing modern slavery risks.

5 Yum! Brands has become a Sedex member at a global level, allowing KFC Australia to leverage the scale of Yum! Brands to drive Sedex registration and SAQ completion by global supply partners.

6 Expanded the Sedex registration requirement to all of KFC Australia's supply partners who meet the registration threshold, capturing the areas of development, operations, food innovation and technology, quality assurance, marketing, supply chain, legal, IS, corporate affairs, finance and human resources.

ADDRESSING RISKS – SUPPLY CHAIN AND OPERATIONS



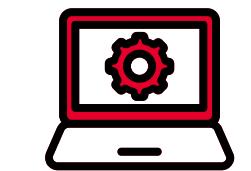
1 KFC Australia has:

- facilitated modern slavery workshops and Sedex training for food and paper supply partners,
- arranged and held training (refresher and updates) for the SCM, marketing, IS, development and finance teams on preventing modern slavery and utilising Sedex,
- delivered Sedex training to the KFC Australia supply chain team, and
- delivered modern slavery training and risk assessment training to the modern slavery working group.

2 KFC Australia has had each member of its RSCs complete a compulsory online modern slavery training course, developed in consultation with an external party. This course is compulsory for all new starters in the KFC Australia RSCs, and is intended to be completed by all RSC staff every two (2) years. This training provided information on KFC Australia's policies and processes, and is expected to greatly assist implementation, governance and accountability in relation to modern slavery.

3 KFC Australia requires all team members to complete an annual compliance program which includes materials and training on whistle-blowing, and KFC Australia's open door policy.

ADDRESSING RISKS – SUPPLY CHAIN AND OPERATIONS



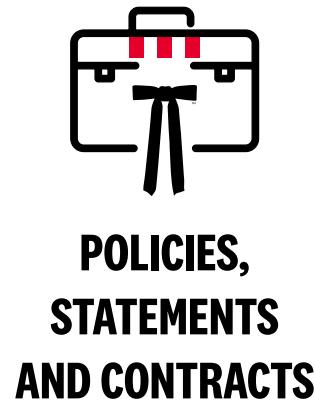
SUPPLIER REVIEWS AND RISK ASSESSMENTS

1 KFC Australia is continually reviewing its supply partners to identify potential modern slavery risk areas across its supply chain and operations. This work is conducted via annual risk assessments and quarterly and annual business reviews held with supply partners.

2 In support of the above, KFC Australia has updated the standing agenda for quarterly and annual business reviews with supply partners to capture a review of modern slavery risks and mitigation strategies. This ensures that modern slavery, the KFC Supplier Code of Conduct and the supply partner's SAQ results remain a constant discussion point between the parties. This procedure gives the parties a formal avenue for discussing and managing responses to modern slavery risks.

3 KFC Australia has integrated its standard form modern slavery questionnaire and risk assessment process into the new supply partner onboarding process. This ensures that all new supply partners are subject to modern slavery review at the time of their engagement with KFC Australia.

ADDRESSING RISKS – SUPPLY CHAIN AND OPERATIONS



- 1 KFC Australia developed a modern slavery roadmap and drafted KFC Australia's first modern slavery policy. This has been followed up with the submission of three (3) further statements.
- 2 KFC Australia conducted a GAP analysis of KFC Australia's policies and procedures for modern slavery risk.
- 3 In January 2020, KFCPL and KFC Adco adopted a formal Modern Slavery Policy and Whistleblowing Policy which made available a completely confidential helpline and confidential disclosure form online available 24/7 to encourage our team members to whistleblow in safety. KFC Australia has worked to raise awareness of these policies across its business units, with the annual compliance training being a valuable tool in ensuring the team members are aware of these policies and tools.
- 4 KFCPL updated the KFC Supplier Code of Conduct to specifically address compliance with modern slavery, illegal workplace practices and illegal workers. It is KFC Australia's expectation that supply partners comply with the KFC Supplier Code of Conduct.
- 5 The Franchise Policies Manual, being the KFC brand's operational manual in Australia, has been amended to require KFCPL's franchise partners to provide their supply partners with a copy of KFC's Supplier Code of Conduct.
- 6 KFCPL and KFC Adco has updated the terms of its template contracts, and the contracts with many of our supply partners, to include provisions requiring our supply partners to comply with the MSA and amongst other things, to register with Sedex where appropriate.

ADDRESSING RISKS – SUPPLY CHAIN AND OPERATIONS



- 1 KFC Australia established a cross-functional modern slavery working group which meets regularly to develop and implement KFC Australia's modern slavery strategy. The modern slavery working group reports into KFC Australia's compliance committee, which in turn reports to the board.
- 2 KFC Australia has:
 - developed a supply partner toolkit to support our supply partners in tackling modern slavery risks.
 - developed a toolkit to support KFC Australia's RSC teams to identify, assess and address modern slavery risks.
 - implemented a anti-modern slavery process in respect of low-risk contractors and supply partners, utilising a standard form questionnaire and a risk assessment process.
- 3 All KFC Australia employees, supply partners and franchise partners to whom the MSA reporting obligations apply are expected to understand and comply with the MSA. KFC Australia regularly reminds its employees, supply partners and franchise partners of this expectation.
- 4 KFC Australia works closely with its franchise partners, with regular forums established for collaboration and knowledge sharing.
- 5 In the event of a modern slavery incident arising, the modern slavery working group will be responsible for developing a remediation plan in consultation with the relevant stakeholders. KFC Australia's approach to remediation is intended to be on a case by case basis.

ASSESSMENT OF EFFECTIVENESS

Reported Incidents

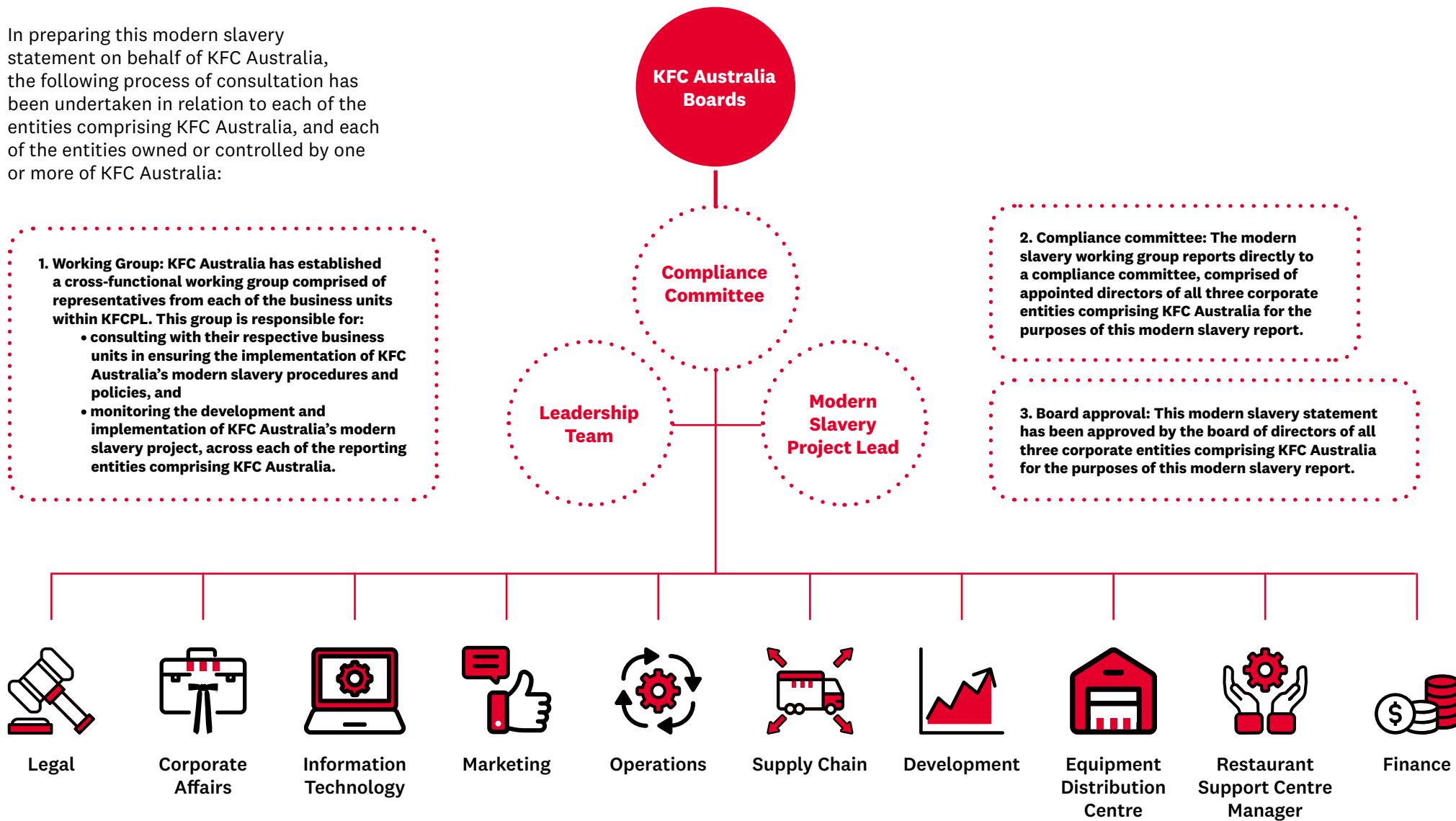
As of the date of publishing this statement, we have not been notified of any modern slavery related incidents during the period of this statement. Further, KFC Australia has not been notified of any potential claims pursuant to the whistle-blower hotline.

We acknowledge that this does not constitute a finish-line, and we will continue to implement anti-modern slavery measures and in turn also reflect on our incident reporting processes to ensure that we are made aware if there is a modern slavery related incident in our operations or supply chain.

You will note that we have committed to developing some key performance indicators in relation to our modern slavery mitigation strategies, and further develop some documented remediation processes and policies. This work remains ongoing.

CONSULTATION PROCESS

In preparing this modern slavery statement on behalf of KFC Australia, the following process of consultation has been undertaken in relation to each of the entities comprising KFC Australia, and each of the entities owned or controlled by one or more of KFC Australia:



OUR PATH FORWARD

KFC Australia is committed to undertaking the following work in an effort to further mitigate the risk of modern slavery occurring within KFC Australia's operations and supply chain.

Future Action	KPI	Status
The work of encouraging new and existing supply partners to register with Sedex is ongoing.	KFC Australia's goal is to have all supply partners, who meet the registration threshold, registered with Sedex.	This is an ongoing task that will remain relevant as new supply partners are engaged.
KFC Australia will review its due diligence system in the context of the United Nations Guiding Principles on Business and Human Rights.	Review of system completed by the time of publishing the next modern slavery statement.	This is a new body of work to be undertaken by the modern slavery working group.
KFC Australia continues to work on developing key performance indicators in relation to our modern slavery mitigation strategies, and documented remediation processes and policies.	To have a board approved set of KPIs relating directly to modern slavery mitigation.	This is an ongoing body of work, which is due to be completed by the time of the next statement.
Maintain compulsory modern slavery training for new starters, and annual compliance training for all team members on the whistle-blower and open door policy.	KFC Australia's goal is to ensure that all new RSC staff receive modern slavery training within six (6) weeks of commencing employment, that all RSC staff receive modern slavery training every two (2) years, and that all team members are reminded annually of the whistle-blower and open door policy.	This is an ongoing commitment.
Prepare a training video to be shared with supply partners and contractors containing material on modern slavery and whistleblowing.	KFC Australia's goal is to use this training video with key supply partners.	This is a new body of work which is due to be completed by the time of the next statement.

The board of Kentucky Fried Chicken Pty Ltd ACN 000 587 780 approved this statement on 30 June 2023, on its own behalf and on behalf of ACN 085 239 998 Pty Ltd ACN 085 239 998.

The board of KFC ADCO Limited ACN 083 047 992 approved this statement on 30 June 2023.

Kristi Woolrych
General Manager of Kentucky Fried Chicken Pty Ltd

