

Mondelēz International, June 2018

This document complements the information provided to KnowTheChain in response to the [2018 engagement questionnaire](#). Here we highlight key public documents, relevant extracts and additional company input to reflect the company's ongoing actions to address human rights risk, including human trafficking and forced labor, in our own operations and our supply chains.

SCORED DISCLOSURE

THEME 1 COMMITMENT AND GOVERNANCE

1.1 Commitment

The company:

(1) has publicly demonstrated its commitment to addressing human trafficking and forced labor.

Key public documents:

- **Mondelēz International Human Rights Public Commitment** <https://www.mondelezinternational.com/about-us/compliance-and-integrity#humanRights>
- **Mondelēz International 2017 Modern Slavery Statement** https://www.mondelezinternational.com/~/-/media/mondelezcorporate/uploads/downloads/mdlz_modern_slavery_statement_2017.pdf?la=en

Key extracts:

Mondelēz International Human Rights Public Commitment (full text)

Mondelēz International is committed to do business the right way and to its responsibility to respect human rights. We comply with all applicable laws in the jurisdictions where we operate. We subscribe in principle to the United Nations Guiding Principles on Business and Human Rights (UNGPs), as a standard for preventing and addressing the risk of adverse impact on human rights by businesses.

In line with the UNGP framework of 'Protect, Respect and Remedy', we have the appropriate policies in place, and we acknowledge our responsibility to respect human rights by avoiding the infringement of the rights of others, addressing negative impacts with which we may be involved, and providing access to effective remedy if violations have occurred.

Our [Corporate Responsibility Guidelines](#) and [Code of Conduct](#) guide everything we do as we strive to ensure that human rights are respected within our own operations and our upstream supply chains. We also seek to do business with partners who share the same commitment. We have reiterated this commitment through the adoption of the Consumer Goods Forum's [Forced Labor Priority Industry Principles](#), and our signature to the UN's [Women's Empowerment Principles](#). We undertake practical, business minded, proactive, ongoing human rights due diligence to identify and mitigate potential and actual human rights impacts within our own operations, and work with our business partners through our supply chain to achieve the same. One example of how we identify potential human rights impacts is through [AIM-PROGRESS](#) of which we are a founding member. The [Sedex Member Ethical Trade Audit \(SMETA\)](#) protocol evaluates our internal manufacturing sites and suppliers against a common set of corporate social responsibility standards for the consumer goods industry. This process supports the identification of potential risks and helps guide our approach for impact mitigation and monitoring.

In 2016, we partnered with World Wildlife Fund (WWF) to assess the long-term sustainability risks of our agricultural commodities supply chains. The prioritized risk assessment run by WWF examined agricultural commodities by source country based on publicly available, secondary data, covering our largest raw materials volume and spend.

As a large purchaser of cocoa products for decades, we have undertaken various initiatives and entered into several partnerships to address the sustainability of the cocoa supply chain. Since 2012, we have leveraged [Cocoa Life](#), a holistic sustainability program backed by a \$400 million investment, to address human rights risks associated with labor in the cocoa supply chain. Cocoa Life aims to create empowered cocoa farmers in thriving communities. We partner with farmers, communities, local governments, suppliers and NGOs and invest directly in cocoa communities to promote women's empowerment, child protection and education, and improve livelihoods. To strengthen our approach, we commissioned human rights consultancy [Embode](#) to undertake child labor assessments within cocoa sourcing communities in [Cote d'Ivoire](#), [Ghana](#) and [Indonesia](#). Based on Embode's recommendations, we are working together with government authorities, suppliers and NGOs to harness the strengths of Cocoa Life's community model and bolster our approach to child protection.

Our [Palm Oil Action Plan \(and update\)](#) requires suppliers to respect the labor rights of all workers, including migrant workers within both their own operations and through their supply chains. We require suppliers to provide annual assurance of continuous improvement in this area, verified by third party labor rights experts. The action plan also requires suppliers to better understand the type of small holders within their supply base and their progress against sustainability outcomes. We also address human rights issues through our contribution towards mitigating the causes and impacts of climate change as articulated in our [2020 Smart Sustainability Goals](#).

We are committed to meaningful engagement with all potential and actually impacted rights holders, particularly those who are traditionally excluded or marginalized, including women, children, migrant workers and indigenous peoples. Through our Compliance & Integrity program, we are committed to ensuring the availability of accessible grievance mechanisms (e.g., Integrity HelpLine and WebLine) for our own employees, contractors, and subcontractors, as well as anyone to use for raising any concerns and to better enable Mondelez International to appropriately redress human rights impacts which we have either caused or contributed to. We are also committed to ensuring we don't unreasonably inhibit access to other forms of remedy for potentially and actually impacted rights holders.

Mondelez International 2017 Modern Slavery Statement (extract)

Mondelez International is committed to do business the right way and to its responsibility to respect human rights, as detailed in our [human rights statement](#).

This year, as a board member of the Consumer Goods Forum (CGF), we have renewed our commitment to help eradicate forced labor, and to work collaboratively with others as these are issues we cannot resolve alone.

The CGF has identified three of the most problematic, yet often common, employment practices across the world that can lead to instances of forced labor. We support these three [Priority Industry Principles on Forced Labor](#) that should be upheld by as many actors as possible:

- Every worker should have freedom of movement
- No worker should pay for a job
- No worker should be indebted or coerced to work

These principles will guide our efforts to combat forced labor as we continue to look for ways to strengthen our overall approach to social sustainability in our own operations and our upstream supply chains.

1.2 Supply Chain Standards

The company's supply chain standard:

(1) requires suppliers to uphold workers' fundamental rights and freedoms (those articulated in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work), including the elimination of forced labor;

(2) has been approved by a senior executive;

(3) is easily accessible from the company's website;

(4) is updated regularly, following internal review and input from external stakeholders; and

(5) is communicated to the company's suppliers.

Key public documents:

- **Mondelez International Corporate Responsibility Expectations for direct suppliers**
<https://www.mondelezinternational.com/about-us/compliance-and-integrity#directSuppliers>
- **Mondelez International Corporate Responsibility Expectations (supplier contract provisions)**
<https://www.mondelezinternational.com/about-us/compliance-and-integrity#supplierContract>

Key extracts:

Mondelez International Corporate Responsibility Expectations for direct suppliers

“Once we determine a good fit with a supplier or business partner, we develop a contract that not only provides the core commercial terms but specifically incorporates our corporate responsibility expectations (see below). For example, we would include legally enforceable provisions on child labor and worker safety.”

Mondelez International Corporate Responsibility Expectations (supplier contract provisions)

“In addition to complying with all laws and regulations, Supplier must comply with the following in connection with the goods and services provided to Mondelēz International:

Forced Labor. *Supplier will not use any forced labor, which means any work or service performed involuntarily under threat of physical or other penalty. Supplier shall respect the freedom of movement of its workers and not restrict their movement by controlling identity papers, holding money deposits, or taking any other action to prevent workers from terminating their employment. If workers enter into employment agreements with Supplier, workers should do so voluntarily.*

Child Labor. *Supplier will not directly (or indirectly through the use of its subcontractors) employ any children under the age of 18 years unless legal, necessary, and appropriate and the following are met:*

- *Supplier will comply with the minimum employment age limit defined by national law or by International Labor Organization (“ILO”) Convention 138, whichever is higher. The ILO Convention 138 minimum employment age is the local mandatory schooling age, but not less than 15 years of age (14 in certain developing countries), subject to exceptions allowed by the ILO and national law.*
- *Supplier will ensure that employees working in facilities that are manufacturing or packaging Mondelēz International finished products, serving as temporary employees to Mondelēz International, or present at Mondelēz International facilities, are at least 15 years of age (and no exceptions allowed by the ILO or national law will apply).*
- *Supplier must demonstrate that their employment does not expose them to undue physical risks that can harm physical, mental, or emotional development”*

1.3 Management and Accountability

The company:

(1) has a committee, team, program, or officer responsible for the implementation of its supply chain policies and standards that addresses human trafficking and forced labor; and

(2) has tasked a board member or board committee with oversight of its supply chain policies and standards that address human trafficking and forced labor.

Company input:

Our Board formally has responsibilities for important business functions and these responsibilities are clearly allocated within the board. Responsibilities for important functions are held by independent directors. Our directors are active on the Board committees. We have three growth strategies of which the Board had oversight in the development. Each function within the company and each business unit developed its goals and strategic plans to address each of the three growth strategies. One of the three strategies is to Grow our Impact: building positive impact for people and our planet is at the core of who we are and accelerates our company's growth.

Defining our Impact for Growth commitment involved intense Board oversight in its development and now in its implementation. We take a comprehensive approach to well-being, integrating it throughout our business processes. Our CEO is engaged in the review of our Impact for Growth strategy in conjunction with our Board of Directors' Governance, Membership and Public Affairs Committee.

We believe well-being is holistic. The health of individuals, communities and the planet are inextricably linked. We believe in creating a more holistic and connected approach to well-being for a greater global good. Impact for Growth is focused on four areas of action: Safety, Sustainability, Community and Well-being Snacks.

To guide our strategy, we established an Impact Steering Committee (ISC) managed by our Vice President, Global Sustainability, Well-being and Public Affairs with oversight from top executives (e.g., Chief Research & Development & Nutrition Officer and an EVP for emerging markets regions). The team makes recommendations to the business and sets the global direction on sustainable agriculture and resources, health & wellness and safety. The team includes senior representatives from Research & Development and nutrition, marketing, global categories, procurement, corporate and legal affairs, integrated supply chain, and scientific & regulatory affairs.

The Board remains involved in Impact for Growth. The ISC reports to the Board's Governance, Membership and Public Affairs Committee (GMPAC). The GMPAC oversees policies and programs related to social responsibility, corporate citizenship and public policy issues significant to the company such as social and environmental sustainability.

Key public documents:

- **Mondelez International Growth Strategy**
<http://www.mondelezinternational.com/about-us/our-growth-strategy>
- **Mondelez International Corporate Governance**
<http://www.mondelezinternational.com/investors/corporate-governance>
- **Governance, Membership and Public Affairs Committee Charter**
<http://www.mondelezinternational.com/~media/mondelezcorporate/uploads/downloads/7%20-%20governancemembershipandpaccharter.pdf>

1.4 Training

The company undertakes programs which include:

- (1) the training of all relevant decision-makers within the company on risks, policies, and standards related to human trafficking and forced labor; and
- (2) the training and capacity-building of suppliers on risks, policies, and standards related to human trafficking and forced labor, covering key supply chain contexts.

Key public documents:

- **Mondelēz International 2017 Modern Slavery Statement**
https://www.mondelezinternational.com/~media/mondelezcorporate/uploads/downloads/mdlz_modern_slavery_statement_2017.pdf?la=en
- **Mondelez International Code of Conduct**
<http://www.mondelezinternational.com/~media/mondelezcorporate/uploads/downloads/employeecodeofconduct.pdf>

Key extracts:

Mondelēz International 2017 Modern Slavery Statement (extract)

All of our employees undergo training on our [Code of Conduct](#) and relevant compliance policies. In addition, procurement employees received specialized training, which helps them identify and mitigate labor-related sourcing risks and includes a section on human trafficking and slavery.

1.5 Stakeholder Engagement

In the last three years, the company has engaged relevant stakeholders by:

- (1) providing at least two examples of engagements on forced labor and human trafficking with policy makers, worker rights organisations, local NGOs, or other relevant stakeholders in countries in which its suppliers operate, covering different supply chain contexts; and
- (2) actively participating in one or more multi-stakeholder or industry initiatives focused on eradicating forced labor and human trafficking across the industry.

Key public documents:

- Cocoa Life website

<https://www.cocoalife.org/> -- including the following key pages:

<https://www.cocoalife.org/the-program/approach>

<https://www.cocoalife.org/the-program/child-labor>

<https://www.cocoalife.org/the-program/partners>

And the following key publications:

- Embode’s three independent assessments, commissioned by Mondelez International, of child labor and slavery in the cocoa sector of Cote d’Ivoire, Ghana and Indonesia

<https://www.cocoalife.org/global-search?SearchText=embode>

- Mondelēz International 2017 Modern Slavery Statement

https://www.mondelezinternational.com/~/_media/mondelezcorporate/uploads/downloads/mdlz_modern_slavery_statement_2017.pdf?la=en

Key extracts:

Mondelēz International 2017 Modern Slavery Statement – ‘Collaborating for change’ section:

Achieving widespread change across whole supply chains is more than Mondelēz International can do alone, so we collaborate with peer companies and expert organizations to help us on the journey.

- **Consumer Goods Forum (CGF):** As members of the [Consumer Goods Forum](#), we support CGF’s Priority Industry Principles on Forced Labor, as detailed above. In addition, we co-chair CGF’s Palm Oil Working Group — which has published [palm oil sourcing guidelines](#) for member companies that incorporate expectations on respect for labor rights, and is working to raise awareness of the Priority Industry Principles across the palm oil sector and with producer governments.
- **Roundtable for Sustainable Palm Oil (RSPO):** We serve on the [Roundtable for Sustainable Palm Oil](#) Board of Governors and seek to support reforms to make sustainable palm oil the norm. RSPO’s Principles and Criteria include provisions against forced labor.
- **Cocoa sustainability efforts:** We join with partners in a range of initiatives to support sustainable cocoa production including the World Cocoa Foundation where we serve on the Board of Directors. We also serve on the Board of Directors of the [International Cocoa Initiative](#), a multi-stakeholder platform, whose mission is to help eliminate child labor and its worst forms (including trafficking and forced labor), and to promote child protection in cocoa-growing communities.

THEME 2 TRACEABILITY AND RISK ASSESSMENT

2.1 Traceability

The company discloses:

- (1) the names and addresses of its first-tier suppliers;
- (2) the countries of below first-tier suppliers (this does not include raw material suppliers);

(3) the sourcing countries of raw materials at high risk of forced labor and human trafficking; and

(4) some information on its suppliers' workforce.

Key public documents:

- **Mondelēz International 2017 Modern Slavery Statement**

https://www.mondelezinternational.com/~media/mondelezcorporate/uploads/downloads/mdlz_modern_slavery_statement_2017.pdf?la=en

- **List of cocoa suppliers:** <https://www.cocoalife.org/the-program/partners>
- **GPS mapping of cocoa farms part of the Cocoa Life program:** <https://www.cocoalife.org/in-the-cocoa-origins>
- **List of palm oil suppliers:**
https://www.mondelezinternational.com/~media/mondelezcorporate/uploads/downloads/supplier_list.pdf?la=en
- **Palm oil upstream supply list:** https://www.mondelezinternational.com/impact/sustainable-resources-and-agriculture/~media/mondelezcorporate/uploads/downloads/Transparency_Sustainability_Upstream_Supply.pdf?la=en
- **List of palm oil mills:** https://www.mondelezinternational.com/impact/sustainable-resources-and-agriculture/~media/mondelezcorporate/uploads/downloads/Mills_Data.pdf?la=en

Key extracts:

Mondelēz International 2017 Modern Slavery Statement – ‘Structure of our operations and supply chains’

Structure of our operations and supply chains

To create our delicious snacks, our business depends on a steady and high-quality supply of agricultural crops including wheat, cocoa, vegetable oils (including palm oil), hazelnuts, sugar, milk and eggs.

Through our signature programs [Cocoa Life](#) and [Harmony](#), we strive to make a positive impact on the farms, communities and environment where our main raw materials – cocoa and wheat – are grown.

Cocoa supply chain

[Cocoa Life](#) is a holistic, verified program working to transform the lives and livelihoods of cocoa farmers, create thriving communities and inspire the next generation. Cocoa Life's \$400 million, 10-year commitment aims to empower more than 200,000 farmers and more than 1 million people in cocoa farming communities in Cote d'Ivoire, Ghana, Indonesia, Brazil, the Dominican Republic and India.

Our cocoa suppliers are listed as partners on our [Cocoa Life website](#), as they work with us to implement the sustainable farming pillar of our program. With Cocoa Life, as of the end of 2017, we already worked with 120,500 smallholder cocoa farmers, covering 35% of our cocoa supply. The GPS mapping of close to 80% of the farms which are part of the program are available [here](#). Ultimately, we aim to source all our cocoa sustainably, mainly via Cocoa Life.

Wheat supply chain

[Harmony](#), our wheat program in Europe, promotes biodiversity and good environmental practices in wheat production. Farmers in the Harmony program commit to following a charter of best agricultural practices. Today, we partner with 1,700 farmers, 13 millers and 21 cooperatives across six countries (Belgium, the Czech Republic, France, Italy, Poland and Spain). In 2017, they produced 177,000 tons of wheat, representing 75% of our West European biscuit production. By 2022, we aim to cover 100% of our biscuit production across the European Union. In [North America](#), we partner with wheat farmers, who are adopting innovative practices to optimize pesticide and fertilizer use, growing all the wheat we need for our Triscuits brand, with a lower environmental footprint.

Palm oil supply chain

We are taking steps to ensure that the palm oil we buy is produced on legally held land, does not lead to deforestation or loss of peat land, respects human rights, including land rights, and does not use forced or child labor. Through our [Action Plan](#), as of end 2016, we have achieved

the traceability of 96% of our palm oil to the mill and 99% of the palm oil we buy was sourced from suppliers with policies aligned to ours. (See [list of suppliers](#), [upstream supply list](#), and [list of mills](#).)

Beyond our signature programs, we're embedding sustainability into our sourcing practices for other raw materials. We're seeking more transparency, raising expectations of our suppliers and seeking to catalyze sector-wide change. Through this work we are addressing cross cutting themes such as good agricultural practices, deforestation, human and labor rights (including child labor), land rights, gender and environmental footprint.

2.2 Risk Assessment

The company discloses:

- (1) details on how it conducts human rights supply chain risk or impact assessments that include forced labor risks or assessments that focus specifically on forced labor risks; and
- (2) details on forced labor risks identified in different tiers of its supply chain.

Key public documents:

- **Mondelēz International 2017 Modern Slavery Statement**

https://www.mondelezinternational.com/~media/mondelezcorporate/uploads/downloads/mdlz_modern_slavery_statement_2017.pdf?la=en

Key extracts:

Mondelēz International 2017 Modern Slavery Statement – ‘Due diligence and actions to address identified risks’ section

We undertake practical, business minded, proactive, ongoing human rights due diligence to identify and mitigate potential and actual human rights impacts within our own operations, and work with our business partners through our supply chain to achieve the same.

Own operations and direct suppliers

For our own operations and direct suppliers, we identify potential human rights issues, including modern slavery, and monitor compliance with our policies through AIM-PROGRESS, of which we are a founding member. We use the [Sedex Member Ethical Trade Audit \(SMETA\) protocol](#) to evaluate our internal manufacturing sites and direct suppliers against a common set of corporate social responsibility standards developed for the consumer goods industry. This process supports the identification of potential risks and helps guide our approach for impact mitigation and monitoring.

Upstream supply chains

At Mondelēz International, we have been focusing our sustainability efforts where we can have the greatest impact. In our raw materials supply chain, our efforts have primarily focused on cocoa and palm oil because this is where we know that we can make the biggest difference from an environmental and social perspective. In the cocoa and palm supply chains, we have developed comprehensive approaches to identify potential human rights impacts through our signature Cocoa Life program and our Palm Oil Action Plan.

In 2016, we partnered with World Wildlife Fund (WWF) to assess the long-term environmental and social sustainability risks of our agricultural commodities supply chains. The prioritized risk assessment run by WWF examined agricultural commodities by source country based on publicly available, secondary data, covering our largest raw materials volume and spend. The assessment confirmed cocoa and palm oil as top priorities from a human rights risk perspective.

Cocoa supply chain

As a large purchaser of cocoa products, we have undertaken a number of initiatives and entered into several partnerships to address the sustainability of the cocoa supply chain. Since 2012, we have leveraged Cocoa Life, a holistic sustainability program backed by a \$400 million investment, to address human rights risks in the cocoa supply chain. Cocoa Life aims to create empowered cocoa farmers in thriving

communities. We partner with farmers, communities, local governments, suppliers and NGOs and invest directly in cocoa communities to promote women's empowerment, child protection and education, and improve livelihoods. As of end of 2017, 35% of our cocoa is already sourced sustainably through Cocoa Life. 120,500 farmers and 1,085 communities are already part of the program. Ultimately we aim to source all of our cocoa sustainably, mainly via Cocoa Life.

In 2015-16, to strengthen our approach, we commissioned human rights consultancy Embode to undertake child labor assessments within cocoa sourcing communities in Cote d'Ivoire, Ghana and Indonesia. (All 3 reports were [published independently and in full](#)). Embode's reports, like third-party studies, confirmed a significant risk of child labor in the cocoa sectors of Côte d'Ivoire and Ghana – the world's two largest cocoa-producing countries. Based on Embode's findings and recommendations, we are working together with government authorities, suppliers and NGOs to harness the strengths of Cocoa Life's community model and bolster our approach to child protection.

Cocoa Life takes a community-based approach to address the root causes of child labor. With our partners, we are:

- Sensitizing all parents and children to the dangers of child labor and the long-term negative impact it can have on children's development
- Improving children's access to quality education
- Strengthening women's financial independence and decision-making power, which leads to families prioritizing children's education and well-being
- Improving farming and environmental practices to help cocoa farmers diversify and increase their sources of income
- Training young adults in cocoa-related activities and working with communities to increase work opportunities locally

In addition, starting in 2016, Cocoa Life has been partnering with local governments and NGOs to build community-centric Child Labor Monitoring and Remediation Systems (CLMRS). Communities fully own the well-being of their children. As part of the CLMRS, Cocoa Life supports them with tools, expertise and funding to:

- Set up a Community Child Protection Committee of trained volunteers
- Sensitize all community members on the dangers of child labor
- Identify children at risk within the communities (including children at risk of forced and other worst forms of child labor)
- Remediate identified cases of child labor with the support of our partner NGOs and the appropriate local and regional authorities

Our CLMRS complements Cocoa Life's holistic approach and keeps the community at the heart of all interventions. Community Child Protection Committees are involved in every stage and receive the expertise and support necessary to address each individual case with the appropriate solution. As of the end of 2017, 516 Cocoa Life communities had a Community Child Protection Committee in place. And 116 of these communities had an operational CLMRS. For more on our actions to address child labor and its worst forms visit

<https://www.cocoalife.org/the-program/child-labor>

Palm oil supply chain:

Our [Palm Oil Action Plan Update](#) requires suppliers to: (a) assure protection of the rights of all workers, including migrant workers in their own operations; (b) engage third-party suppliers to do the same by providing annual assurance, verified by a recognized third-party labor rights expert, of continuous improvement in labor rights performance in their own operations; and (c) develop a roadmap with milestones to provide assurance of third party suppliers' labor rights performance in the same manner. In addition, it requires suppliers to continue to engage smallholders in palm oil sustainability by knowing the proportion of smallholders in own supply base and the proportion of smallholders engaged in sustainability programs as well as the progress and outcomes of these programs; and it encourages third-party suppliers to know and report in the same manner. We also address human rights issues indirectly by addressing climate change. Our 2020 goals are aimed towards reducing the impacts of climate change.

Through our Action Plan, as of end 2016, we have achieved the traceability of 96% of our palm oil to the mill and 99% of the palm oil we buy was sourced from suppliers with policies aligned to ours.

We're 100% RSPO palm oil since 2013. While this is an important step, we recognize the need to do more to achieve a sustainable palm oil supply chain. So we continue to step up our Palm Oil Action Plan to speed up progress on the ground and drive change across the sector. In Q3 2018, as part of our annual Impact Progress Report, we will report on the latest progress against milestones in our Action Plan.

THEME 3: PURCHASING PRACTICES

3.1 Purchasing Practices

Purchasing practices and pricing may both positively impact labor standards in the company's supply chain, and increase risks of forced labor and human trafficking. The company:

(1) is taking steps towards responsible raw materials sourcing;

(2) is adopting responsible purchasing practices in the first tier of its supply chain; and

(3) provides procurement incentives to first-tier suppliers to encourage or reward good labor practices (such as price premiums, increased orders, and longer-term contracts).

Key public documents:

- **Mondelēz International 2017 Modern Slavery Statement**

https://www.mondelezinternational.com/~media/mondelezcorporate/uploads/downloads/mdlz_modern_slavery_statement_2017.pdf?la=en

Key extracts:

Mondelēz International 2017 Modern Slavery Statement – ‘Policies and contractual controls’ section

Our [Corporate Responsibility Guidelines](#) and [Code of Conduct](#) guide everything we do as we strive to ensure that human rights are respected within our own operations and our upstream supply chains. We also seek to do business with partners who share the same commitment.

Mondelēz International has policies that prohibit child and forced labor as noted in our [Code of Conduct](#). We also audit our manufacturing facilities under the [Program for Responsible Sourcing \(PROGRESS\)](#). Failing to meet company standards on child and forced labor is a breach of corporate policy.

Our supplier contracts include provisions on our [Corporate Responsibility Expectations](#) including forced and child labor:

“Forced Labor. Supplier will not use any forced labor, which means any work or service performed involuntarily under threat of physical or other penalty. Supplier shall respect the freedom of movement of its workers and not restrict their movement by controlling identity papers, holding money deposits, or taking any other action to prevent workers from terminating their employment. If workers enter into employment agreements with Supplier, workers should do so voluntarily.

Child Labor. Supplier will not directly (or indirectly through the use of its subcontractors) employ any children under the age of 18 years unless legal, necessary, and appropriate and the following are met:

- Supplier will comply with the minimum employment age limit defined by national law or by International Labor Organization (“ILO”) Convention 138, whichever is higher. The ILO Convention 138 minimum employment age is the local mandatory schooling age, but not less than 15 years of age (14 in certain developing countries), subject to exceptions allowed by the ILO and national law.
- Supplier will ensure that employees working in facilities that are manufacturing or packaging Mondelēz International finished products, serving as temporary employees to Mondelēz International, or present at Mondelēz International facilities, are at least 15 years of age (and no exceptions allowed by the ILO or national law will apply).
- Supplier must demonstrate that their employment does not expose them to undue physical risks that can harm physical, mental, or emotional development.”

We encourage and expect our employees to report incidences of wrongdoing, including any concerns related to human rights and modern slavery. This general expectation is detailed in our ‘Speaking Up and Investigations Policy’, which also affirms our commitment to non-retaliation. Our Integrity HelpLine and WebLine are made available to our own employees, contractors, and subcontractors, as well as anyone to use for raising any concerns and to better enable Mondelēz International to appropriately redress human rights impacts which we have either caused or contributed to.

3.2 Supplier Selection

The company:

(1) assesses risks of forced labor at potential suppliers prior to entering into any contracts with them.

3.3 Integration into Supplier Contracts

The company:

(1) integrates supply chain standards addressing forced labor and human trafficking into supplier contracts.

Key public documents:

- **Mondelēz International 2017 Modern Slavery Statement**

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Key extracts:

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3.4 Cascading Standards through the Supply Chain

The company:

(1) requires its first-tier suppliers to take steps to ensure that their own suppliers implement standards that are in-line with the company's supply chain standards addressing forced labor and human trafficking.

Key public documents:

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https://www.mondelezinternational.com/~media/mondelezcorporate/uploads/downloads/mdlz_modern_slavery_statement_2017.pdf?la=en

- **Palm oil Action Plan and Update**

http://www.mondelezinternational.com/well-being/sustainable-resources-and-agriculture/~media/mondelezcorporate/uploads/downloads/PO_Action_Plan_Update_Nov_2016.pdf

- **Mondelez International Supplier Portal** <http://www.mondelezinternational.com/procurement>

Third-party document:

- **Sedex Members Ethical Trade Audit (SMETA) Measurement Criteria** <http://www.sedexglobal.com/wp-content/uploads/2014/11/1b.-Publicly-availability-SMETA-Measurement-Criteria-4-Pillar-5.0.pdf>

Key extracts:

Mondelēz International 2017 Modern Slavery Statement – ‘Due diligence and actions to address identified risks’ section

Our [Palm Oil Action Plan Update](#) requires suppliers to: (a) assure protection of the rights of all workers, including migrant workers in their own operations; (b) engage third-party suppliers to do the same by providing annual assurance, verified by a recognized third-party labor rights expert, of continuous improvement in labor rights performance in their own operations; and (c) develop a roadmap with milestones to provide assurance of third party suppliers’ labor rights performance in the same manner. In addition, it requires suppliers to continue to engage smallholders in palm oil sustainability by knowing the proportion of smallholders in own supply base and the proportion of smallholders engaged in sustainability programs as well as the progress and outcomes of these programs; and it encourages third-party suppliers to know and report in the same manner. We also address human rights issues indirectly by addressing climate change. Our 2020 goals are aimed towards reducing the impacts of climate change.

Through our Action Plan, as of end 2016, we have achieved the traceability of 96% of our palm oil to the mill and 99% of the palm oil we buy was sourced from suppliers with policies aligned to ours.

We’re 100% RSPO palm oil since 2013. While this is an important step, we recognize the need to do more to achieve a sustainable palm oil supply chain. So we continue to step up our Palm Oil Action Plan to speed up progress on the ground and drive change across the sector. In Q3 2018, as part of our annual Impact Progress Report, we will report on the latest progress against milestones in our Action Plan.

Mondelēz International 2017 Modern Slavery Statement – ‘Collaborating for change’ section

Achieving widespread change across whole supply chains is more than Mondelēz International can do alone, so we collaborate with peer companies and expert organizations to help us on the journey.

- **Consumer Goods Forum (CGF):** As members of the [Consumer Goods Forum](#), we support CGF's Priority Industry Principles on Forced Labor, as detailed above. In addition, we co-chair CGF's Palm Oil Working Group — which has published [palm oil sourcing guidelines](#) for member companies that incorporate expectations on respect for labor rights, and is working to raise awareness of the Priority Industry Principles across the palm oil sector and with producer governments.
- **Roundtable for Sustainable Palm Oil (RSPO):** We serve on the [Roundtable for Sustainable Palm Oil](#) Board of Governors and seek to support reforms to make sustainable palm oil the norm. RSPO's Principles and Criteria include provisions against forced labor.
- **Cocoa sustainability efforts:** We join with partners in a range of initiatives to support sustainable cocoa production including the World Cocoa Foundation where we serve on the Board of Directors. We also serve on the Board of Directors of the [International Cocoa Initiative](#), a multi-stakeholder platform, whose mission is to help eliminate child labor and its worst forms (including trafficking and forced labor), and to promote child protection in cocoa-growing communities.

Company input:

The industry and multi-stakeholder platforms mentioned above (RSPO, WCF and ICI) include cocoa and palm oil suppliers.

Key extracts (continued):

Mondelez International Supplier Portal

We look to our supply partners to commit to the same dream by helping us drive extraordinary value through innovative products and services of the highest quality at competitive costs.

Sedex Members Ethical Trade Audit (SMETA) Measurement Criteria

“0.7 Checks that the ETI Base Code or client specific codes have been communicated to on-site workers including, local labour laws/labour rights and how this has been done e.g. posters, worker trainings etc. (In cases where literacy level is low, what method of communication is used).

0.8 Establishes what action is taken to communicate and implement the code in its own supply chain e.g. to raw material suppliers.”

THEME 4: RECRUITMENT

4.1 Recruitment Approach

(1) has a policy that requires direct employment in its supply chain;

(2) requires employment and recruitment agencies in its supply chain to uphold workers' fundamental rights and freedoms (those articulated in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work), including the elimination of forced labor; and

(3) discloses information on the recruitment agencies used by its suppliers.

Key public documents:

- **Mondelēz International 2017 Modern Slavery Statement**

https://www.mondelezinternational.com/~media/mondelezcorporate/uploads/downloads/mdlz_modern_slavery_statement_2017.pdf?la=en

Key extracts:

Mondelēz International 2017 Modern Slavery Statement – ‘Policies and contractual controls’

Our supplier contracts include provisions on our [Corporate Responsibility Expectations](#) including forced and child labor:

*“**Forced Labor.** Supplier will not use any forced labor, which means any work or service performed involuntarily under threat of physical or other penalty. Supplier shall respect the freedom of movement of its workers and not restrict their movement by controlling identity papers,*

holding money deposits, or taking any other action to prevent workers from terminating their employment. If workers enter into employment agreements with Supplier, workers should do so voluntarily.

4.1 Recruitment Fees

The company:

(1) requires that no worker in its supply chain pay for a job—the costs of recruitment should be borne not by the worker but by the employer ("Employer Pays Principle"); and

(2) takes steps to ensure that such fees are reimbursed to the workers, in the event that it discovers that fees have been paid by workers in its supply chain.

Key public documents:

- **Third party document: Sedex Members Ethical Trade Audit (SMETA) Measurement Criteria** <http://www.sedexglobal.com/wp-content/uploads/2014/11/1b.-Publicly-availability-SMETA-Measurement-Criteria-4-Pillar-5.0.pdf>.

Key extracts:

Sedex Members Ethical Trade Audit (SMETA) Measurement Criteria

- *A check on fees is performed as part of the Sedex Member Ethical Trade Audit process*
- *2.1f: "Is there a process for preventing worker debt from e.g. recruitment fees and how is this checked?"*
- *10A.8: "Checks that the facility has applicable records relating to any agencies used such as contracts (Service Level Agreement) or invoices. That appropriate records for agency workers are kept on site"*

4.3 Monitoring and Ethical Recruitment

The company:

(1) takes steps to ensure employment and/or recruitment agencies used in its supply chain are monitored to assess and address risks of forced labor and human trafficking; and

(2) provides details of how it supports ethical recruitment in its supply chain.

4.4 Migrant Worker Rights

The company:

(1) takes steps to ensure migrant workers understand the terms and conditions of their recruitment and employment, and also understand their rights;

(2) takes steps to ensure its suppliers refrain from restricting workers' movement, including through the retention of passports or other personal documents against workers' will;

(3) takes steps to ensure migrant workers are not discriminated against, and not retaliated against, when they raise grievances; and

(4) provides evidence of how it works with suppliers to ensure migrant workers' rights are respected.

Key public documents:

- **Mondelēz International 2017 Modern Slavery Statement**

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THEME 5: WORKER VOICE

5.1 Communication of Policies

The company takes steps to ensure:

- (1) its policies and standards, which include human trafficking and forced labor, are available in the languages of its suppliers' workers; and
- (2) its human trafficking and forced labor policies and standards are communicated to workers in its supply chain.

Key public documents

- Cocoa Life website <https://www.cocoalife.org/the-program/child-labor>
- Cocoa Life 2017 Progress Report

<https://www.cocoalife.org/progress/cocoa-life-progress-report-2017>

Key extracts:

Cocoa Life website, child labor page, ‘Involving the entire community’ section:

Cocoa Life takes a community-based approach to address the root causes of child labor. With our partners, we are:

- *Sensitizing all parents and children to the dangers of child labor and the long-term negative impact it can have on children’s development*
- *Strengthening women’s financial independence and decision-making power, which leads to families prioritizing children’s education and well-being*
- *Improving farming and environmental practices to help cocoa farmers diversify and increase their sources of income*
- *Training young adults in cocoa-related activities and working with communities to increase work opportunities locally*

Company input:

Through Cocoa Life, cocoa-growing community engagement work including child labor sensitization is done by local NGO partners in the appropriate local language or dialect.

5.2 Worker Voice

The company:

- (1) works with relevant stakeholders to engage with and educate workers in its supply chain on their labor rights;
- (2) takes steps to ensure that there are worker-to-worker education initiatives on labor rights in its supply chain;
- (3) provides evidence of the positive impact of worker engagement in its supply chain; and
- (4) provides at least two examples of worker engagement initiatives covering different supply chain contexts.

Key public documents

- Cocoa Life website, including ‘child labor’ page <https://www.cocoalife.org/the-program/child-labor> And ‘partners’ page: <https://www.cocoalife.org/the-program/partners>
- Cocoa Life 2017 Progress Report

<https://www.cocoalife.org/progress/cocoa-life-progress-report-2017>

- Mondelēz International 2017 Modern Slavery Statement

https://www.mondelezinternational.com/~/_media/mondelezcorporate/uploads/downloads/mdlz_modern_slavery_statement_2017.pdf?la=en

Company input:

Through Cocoa Life we work with a number of NGO partners, including the International Cocoa Initiative and Child Rights International to sensitize cocoa-growing communities, including smallholder farmers, on the dangers of child labor and its worst forms. See Cocoa Life website ‘partners’ page.

Key extracts:

Cocoa Life website, child labor page, ‘Involving the entire community’ section:

Cocoa Life takes a community-based approach to address the root causes of child labor. With our partners, we are:

- *Sensitizing all parents and children to the dangers of child labor and the long-term negative impact it can have on children’s development*

- *Strengthening women's financial independence and decision-making power, which leads to families prioritizing children's education and well-being*
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5.3 Freedom of Association

The company:

- (1) describes how it works with suppliers to improve their practices in relation to freedom of association and collective bargaining;
- (2) works with local or global trade unions to support freedom of association in its supply chain;
- (3) takes steps to ensure workplace environments in which workers are able to pursue alternative forms of organizing (e.g., worker councils or worker-management dialogues) where there are regulatory constraints on freedom of association; and
- (4) provides at least two examples covering different supply chain contexts of how it improved freedom of association for supply chain workers.

Key public documents:

- **Mondelēz International corporate responsibility guidelines**
<https://www.mondelezinternational.com/about-us/compliance-and-integrity#guidelines>

Key extracts:

Third-Party Representation. *We aim to have constructive relationships with our employees and their unions. Mondelēz International respects the interests of its employees to join (or not join) a union. In those situations where our employees have third-party representation, we will work with employee representatives in a direct and straightforward manner.*

5.4 Grievance Mechanism

The company:

- (1) takes steps to ensure a formal mechanism to report a grievance to an impartial entity regarding labor conditions in the company's supply chain is available to its suppliers' workers and relevant stakeholders;

(2) takes steps to ensure that the existence of the mechanism is communicated to its suppliers' workers;

(3) takes steps to ensure that workers or an independent third-party are involved in the design or performance of the mechanism, to ensure that its suppliers' workers trust the mechanism;

(4) discloses data about the practical operation of the mechanism, such as the number of grievances filed, addressed, and resolved, or an evaluation of the effectiveness of the mechanism; and

(5) provides evidence that the mechanism is available and used by workers below tier one in its supply chain, or by relevant stakeholders in key supply chain contexts.

Key public documents:

- **Mondelēz International 2017 Modern Slavery Statement**

https://www.mondelezinternational.com/~media/mondelezcorporate/uploads/downloads/mdlz_modern_slavery_statement_2017.pdf?la=en

- **Mondelēz International website - Compliance and Integrity** <http://www.Mondelēzinternational.com/about-us/compliance-and-integrity>
- **Mondelēz International helpline information** <http://www.mondelezinternational.com/~media/mondelezcorporate/uploads/downloads/integrity%20helpline%20phone%20list.pdf>
- **Mondelēz International webline form** <https://secure.ethicspoint.com/domain/media/en/gui/25906/index.html>

Key extracts:

Mondelēz International 2017 Modern Slavery Statement – ‘Policies and contractual controls’ section

We encourage and expect our employees to report incidences of wrongdoing, including any concerns related to human rights and modern slavery. This general expectation is detailed in our ‘Speaking Up and Investigations Policy’, which also affirms our commitment to non-retaliation. Our Integrity HelpLine and WebLine are made available to our own employees, contractors, and subcontractors, as well as anyone to use for raising any concerns and to better enable Mondelēz International to appropriately redress human rights impacts which we have either caused or contributed to.

Mondelēz International website - Compliance and Integrity

In 2017, our business integrity group received more than 1,900 contacts from around the world through our "Speaking Up" channels. These contacts included questions about our compliance policies and program or matters that we referred to other departments for handling. We received reports of misconduct that required investigation. Some of these matters resulted in disciplinary action, including the separation of people from the company when appropriate.

Company input:

Mondelēz International has numerous postings in all facilities with information, as well as intranet information, regarding the Integrity HelpLine and WebLine to enable and encourage employees to report potential and actual risks to the organization. Our policies also provide this information on how to report and let employees know they will not be retaliated against for reporting potential policy violations or other issues.

Via the HelpLine and the WebLine matters can be reported anonymously. When someone calls the HelpLine an operator will answer the call. The reporter – if they decided to stay anonymous – will then be given a case ID number and asked to call back within weeks to inquire about the status and to check whether there are any follow-up questions for him/her. The operator would then create a new case in our global case management system EthicsPoint (provided by NavexGlobal) and submit the information received. The matter is then automatically assigned to a regional business integrity officer who then has to assess the matter and take appropriate steps in line with our investigation guidelines (i.e. the matter is assessed by the regional business integrity officer and assigned to an investigator who develops an individual investigation plan, investigates the matter and concludes the investigation; conclusions are documented in a written investigation report). If an investigator has follow-up questions to the anonymous reporter (or I would inform the HelpLine operator about my follow-up inquiries and these would

then be communicated to the reporter the next time he/she calls back (using the case ID number). This way we can ensure that a reporter does not have to disclose his/her name if he/she wishes to do so.

Investigations are conducted and assigned to specific investigators based on type of allegations and investigation tier (1 – 4). To make sure that senior management and the Board of Directors are aware of any potentially significant matters, our business integrity group reports investigations to members of our executive team and the Audit Committee of the Board of Directors.

Matters can also be reported directly to a business integrity officer (via e-mail, phone, meeting etc.) or via the Weblines which functions very similar to the HelpLine and is also operated by an independent provider (NavexGlobal) and linked to the case management system. Matters can also be reported to any manager, Legal Department, HR, Internal Control, Internal Audit and are then also forwarded to Business Integrity for further handling.

Information about the practical operation of the Integrity Helpline and Weblines are available on our website:

<http://www.mondelezinternational.com/about-us/compliance-and-integrity>. The page includes the following data about grievances: In 2017, our business integrity group received more than 1,900 contacts from around the world through our "Speaking Up" channels. These contacts included questions about our compliance policies and program or matters that we referred to other departments for handling. We received reports of misconduct that required investigation. Some of these matters resulted in disciplinary action, including the separation of people from the company when appropriate.

The weblines form is available in over 40 languages. The phone helpline includes local numbers in over 90 countries (operated in local languages) and interpreters are made available when necessary.

THEME 6: MONITORING

6.1 Auditing Process

The company has a supplier audit process that includes:

- (1) non-scheduled visits;
- (2) a review of relevant documents;
- (3) interviews with workers;
- (4) visits to associated production facilities and related worker housing; and
- (5) supplier audits below the first tier.

Key public documents:

- **Mondelez International website - Supply chain transparency and labor practices**
<https://www.mondelezinternational.com/about-us/compliance-and-integrity#supplyChain>
- **Mondelēz International Compliance and Integrity** <http://www.Mondelēzinternational.com/about-us/compliance-and-integrity> and in particular corporate responsibility expectations supplier contract provisions <http://www.Mondelēzinternational.com/about-us/compliance-and-integrity#directSuppliers>
- **Program for Responsible Sourcing (progress)** <http://www.Mondelēzinternational.com/Procurement/Responsible-Sourcing/Program-for-Responsible-Sourcing-PROGRESS>
- **Cocoa Life website – Impact section:** <https://www.cocoalife.org/impact>
- **‘supplier ethical data exchange (sedex)** <http://www.Mondelēzinternational.com/Procurement/Responsible-Sourcing/Supplier-Ethical-Data-Exchange-SEDEX>
- **‘Mondelēz International remains committed to responsible production and sourcing practices’**
http://www.Mondelēzinternational.com/~media/MondelēzCorporate/uploads/downloads/procurement/PROGRESS_and_SEDEX_Mdlz.pdf
- **Procurement overview** <http://www.Mondelēzinternational.com/procurement.aspx>

Key extracts:

Mondelēz International website - Supply chain transparency and labor practices:

Internal accountability standards

We expect each employee to conduct business legally and ethically. Mondelēz International has policies that prohibit child and forced labor as noted in our [Code of Conduct](#). We also audit our manufacturing facilities under the [Program for Responsible Sourcing \(PROGRESS\)](#). Failing to meet company standards on child and forced labor is a breach of corporate policy. As such, violators are subject to disciplinary action, up to and including termination of employment.

Mondelēz Compliance and Integrity ‘corporate responsibility expectations (supplier contract provisions)’ section:

We are one of the founding members of an industry forum called [AIM-PROGRESS](#). This initiative supports a common set of Corporate Social Responsibility (CSR) standards and drives efficiencies on performance improvement for the consumer goods industry.¹

While there are several AIM-PROGRESS recognised audit protocols, Mondelēz International along with many in the industry require a SMETA style audit. The SMETA (Sedex Member Ethical Trade Audit) protocol.

Company input:

Additional information lifted from external websites to illustrate AIM-Progress and Sedex process as it related to forced labour

- AIM-PROGRESS members use 4-pillar audits that cover human rights & labour standards, health & safety, environment and business integrity²
- The SMETA audit evaluates our internal manufacturing sites and suppliers against a common set of Corporate Social Responsibility standards to drive efficiency on performance improvement for the consumer goods industry. These standards include a detailed focus on labor rights, including forced and child labor³
- Sedex also provides guidance on spotting the signs of forced labor as detailed in the Sedex Guidance on Operational Practice & Indicators of Forced Labour⁴

Key extracts (continued):

Certification by direct suppliers

Our purchasing contracts require direct suppliers to comply with all laws and support Mondelēz International’s policies on child and forced labor. We have various tools to address non-compliance, which may include, but are not limited to, a corrective action plan. If the supplier does not resolve the issues of concern in a timely and satisfactory manner, Mondelēz International reserves the right to take more drastic action, such as termination of the business arrangement.

Verification and supplier compliance audits

Using announced third-party audits, we’ve begun to assess direct suppliers’ compliance with our [corporate responsibility expectations](#) (including child and forced labor) through PROGRESS.

Cocoa Life website – Impact page:

To verify our impact on farmers and their communities and measure progress towards our goal of sourcing all our cocoa sustainably, consistent evaluation is needed. Two independent third parties—Ipsos and FLOCERT—keep us on track.

² <http://www.aim-progress.com/page.php?pmenu=115&id=117>

³ <http://www.sedexglobal.com/wp-content/uploads/2014/11/1b.-Publicly-availability-SMETA-Measurement-Criteria-4-Pillar-5.0.pdf>

⁴ <http://www.sedexglobal.com/wp-content/uploads/2011/06/Sedex-Guidance-on-Operational-Practice-and-Indicators-of-Forced-Labour.pdf>

Impact evaluation: Ipsos measures our progress on the ground by conducting farmer, farmer household and community studies. They are designed to evaluate Cocoa Life's 10 global KPIs. Reports will be published at Baseline, after two years (Wave 1), and after four years (Wave 2).

Supply chain verification: FLOCERT verifies the flow of cocoa from Cocoa Life communities into our supply chain. It also verifies the benefits cocoa farmers receive, such as premium payments and clear trade terms. Verification drives learning and transparency, and ensures we are sourcing from the farming communities we invest in.

Additional company input:

We participate in a number of rigorous external assessments that are conducted within our operations, including AIM Progress. Our direct suppliers have yearly initial risk screenings to determine whether to do a more detailed risk assessment. During a deeper assessment (if needed), we determine whether a supplier needs a business continuity plan (BCP) and/or to be assessed using PROGRESS/SEDEX. This is part of the basis for the 100% of business activities that undergo a human rights assessment. The remainder of the percentage is that our own operations undergo AIM PROGRESS questionnaires and audits and we assess our commodities and other activities as part of our enterprise risk assessment. Taken together this correlates to approximately 100pc provided above for percent business activities assessed.

We use SEDEX to identify environmental and social risks in our facilities and direct material suppliers. Self-assessment questionnaires and audits measure occupational health & safety, labor, business integrity, and environmental risks. It helps prioritize matters and determine critical, major, and minor issues in those areas. Manufacturing suppliers and internal sites complete and are audited via a common protocol as directed. Through this process, we will reach some of both critical and non-critical suppliers. BCPs address any audit findings.

6.2 Audit Disclosure

The company discloses:

- (1) the percentage of suppliers audited annually;
- (2) the percentage of unannounced audits;
- (3) the number or percentage of workers interviewed during audits;
- (4) information on the qualification of the auditors used; and
- (5) a summary of findings, including details regarding any violations revealed.

Key public documents:

- **Impact Progress Report 2016**

https://www.mondelezinternational.com/~media/MondelezCorporate/uploads/downloads/MDLZ2016_progress_report.pdf

Key extracts:

We work with thousands of suppliers, consultants and business partners around the world. We have laid out our expectations to all our direct suppliers in our published supplier contract provisions and supply chain transparency statements. As a founding member of AIM-PROGRESS, we also adhere to the Sedex Member Ethical Trade Audit. This audit evaluates suppliers against a common set of Corporate Social Responsibility standards to drive efficiency on performance improvement for the consumer goods industry. In 2016, 218 of our key suppliers — 99 percent of our 2016 target group of highest priority suppliers — completed the audit, in addition to the 388 suppliers audited in 2014 and 286 audited in 2015.

THEME 7: REMEDY

7.1 Corrective Action Plans

The company's corrective action plans include:

- (1) potential actions taken in case of non-compliance, such as stop-work notices, warning letters, supplementary training, and policy revision;
- (2) a means to verify remediation and/or implementation of corrective actions, such as record review, employee interviews, spot-checks, or other means;
- (3) potential consequences if corrective actions are not taken; and
- (4) a summary or an example of its corrective action process in practice.

Key public documents:

- **Mondelēz International Compliance and Integrity** <http://www.Mondelēzinternational.com/About-Us/Compliance-and-Integrity.aspx#supplyChain>

Company input:

We ask critical suppliers to run a SMETA audit. They purchase the audit directly and therefore own the report and follow-up. In the past we relied on audit companies to follow-up the non-compliances found and ensure those are being marked complete in SEDEX. Non-compliances are classified within the 4 pillars of SMETA: Labor Standards, Health & Safety, Environment and Business Ethics and include a corrective action plan. However, in 2016 we started to contact suppliers directly and ask them to provide evidence that critical non-compliances have been closed out in time and/or to provide a commitment as to when this will be done.

Key extracts:

Mondelēz Compliance and Integrity

Our purchasing contracts require direct suppliers to comply with all laws and support Mondelēz International's policies on child and forced labor. We have various tools to address non-compliance, which may include, but are not limited to, a corrective action plan. If the supplier does not resolve the issues of concern in a timely and satisfactory manner, Mondelēz International reserves the right to take more drastic action, such as termination of the business arrangement.

7.2 Remedy Programs / Response to Allegations

A. If no allegation regarding forced labor in the company's supply chain has been identified in the last three years, the company discloses:

- (1) a process for responding to the complaints and/or reported violations of policies and standards; and
- (2) at least two examples of outcomes for workers of its remedy process in practice, covering different supply chain contexts.

Key public documents:

- **Cocoa Life website** <https://www.cocoalife.org/the-program/child-labor>

Company input:

We have multiple ways for employees and people outside the Company to report concerns. We expect all Mondelēz International employees to report potential non-compliance with the law and our policies, including our Code of Conduct (as well as any other concerns). They can use our Integrity HelpLine (a toll-free and/or reverse charge service operated for us by a third party). It is accessible 24 hours a day, every day, language interpreters are available, and callers can choose to remain anonymous. Additionally, our Integrity WebLine is an online version of the Integrity HelpLine. If an employee reports a violation, we will investigate it fully. Conducting independent, efficient and effective investigations is vital to our commitment to effective corporate governance and an environment that respects human rights. Furthermore, anyone who retaliates against another employee for raising a concern in good faith will face discipline, which may include termination. People outside of the Company may also bring concerns to our attention using our Integrity HelpLine or Integrity WebLine, mail or email.

In our cocoa supply chain, through Cocoa Life we are setting up Child Labor Monitoring and Remediation Systems in the cocoa-growing communities that are part of the program.

Key extracts:

Cocoa Life website, child labor page, 'CLMRS' section

Cocoa Life partners with local governments and NGOs to build community-based Child Labor Monitoring and Remediation Systems (CLMRS). Communities fully own the well-being of their children. As part of the CLMRS, Cocoa Life supports them with tools, expertise and funding so they can:

- *Set up a Community Child Protection Committee of trained volunteers*
- *Sensitize all community members on the dangers of child labor*
- *Identify children at risk within the communities*
- *Remediate identified cases of child labor with the support of our partner NGOs and the appropriate local and regional authorities*
- *The CLMRS complements Cocoa Life's holistic approach and keeps the community at the heart of all interventions. Community Child Protection Committees are involved in every stage and receive the expertise and support necessary to address each individual case with the appropriate solution.*
- *At the end of 2017, Cocoa Life has been active in 1,085 communities. Our goal is to reach all Cocoa Life communities.*

B.1. If one or more allegations regarding forced labor in the company's supply chain have been identified in the last three years, the company discloses:

- (1) a process for responding to the complaints and/or reported violations of policies and standards;
- (2) a public response to the allegation, which covers each aspect of each allegation;
- (3) outcomes of the remedy process in the case of the allegation(s); and
- (4) evidence that remedy(ies) are satisfactory to the victims or groups representing the victims.

B.2. If one or more allegations regarding forced labor in the company's supply chain have been identified in the last three years, and the company denies the allegation, the company discloses:

- (1) a process for responding to the complaints and/or reported violations of policies and standards;
- (2) a public response to the allegation, which covers each aspect of each allegation;
- (3) a description of what actions it would take to prevent and remediate the alleged impacts; and
- (4) that it engages in a dialogue with the stakeholders reportedly affected in the allegation, or requires its supplier(s) to do so.

NON-SCORED DISCLOSURE

Commitment to address forced labor in the supply chain

The company has developed measurable and time-bound commitment(s) to address forced labor in the supply chain.

Compliance with Regulatory Transparency Requirements

UK Modern Slavery Act

Where applicable, the company discloses annual statements under the Modern Slavery Act which fulfils the three minimum requirements (director signature, board approval, link on homepage).

California Transparency in Supply Chains Act

Where applicable, the company discloses a statement under the California Transparency in Supply Chains Act which fulfils the minimum requirements (conspicuous link on homepage, reporting against five areas).

Additional information

Please note the below information may be displayed on a company's scorecard, or may be used for KnowTheChain's analysis purposes more broadly.

Business model

To put the KnowTheChain analysis into context, companies are invited to disclose relevant information on their business model, such as sourcing countries, owned versus outsourced production, etc. [Note KnowTheChain reserves the right to edit the information provided]

Addressing forced labour risks related to third-party products

Where a company--in addition to own branded products--sells third party products, the company discloses how it assesses and addresses forced labor risks related to third party products (relevant for retail companies).