

HUMAN RIGHTS DUE DILIGENCE & MODERN SLAVERY REPORT

2021

Mondelēz
International
SNACKING MADE RIGHT

This statement has been reviewed and approved by the Board of Directors of Mondelēz International, Inc. on 18 May 2022.



Dirk Van de Put,
Chairman & CEO of Mondelēz International

At Mondelēz International, we are committed to making our snacks the right way, protecting the planet and respecting the human rights of people in our value chain, using the UN Guiding Principles on Business and Human Rights (“**UNGPs**”) as a framework for preventing and addressing associated risks. Servitude, forced labor and human trafficking (“modern slavery”) are issues of increasing global concern, affecting many sectors around the world. Modern slavery is fundamentally unacceptable, and our rejection of modern slavery is a key element of our commitment to respect human rights.

“We are committed to protecting the planet and respecting the human rights of people in our value chain”

This report sets out the steps taken by Mondelēz International during the course of 2021 in an effort to prevent, identify and address potential human rights and modern slavery risks in our operations and supply chains. The UK subsidiaries of Mondelēz International, Inc. that are subject to the UK Modern Slavery Act, adopt this group statement as their modern slavery statement for the financial year ending 31 December 2021.¹ In all relevant sections, this report also clarifies how we measure the effectiveness of our due diligence actions through various action plans and indicators.

ENTER

¹ These UK subsidiaries are Mondelez UK Limited, Mondelēz UK R&D Limited, Cadbury UK Limited and Mondelēz UK Confectionery Production Limited, and the board of directors of each company has approved this statement or will have approved this statement by end of the month.

SPECIAL UPDATE ON OUR RESPONSE TO THE COVID-19 CRISIS

Protecting our people

In 2020 and 2021, while the COVID-19 pandemic significantly affected economies, marketplaces, communities and businesses around the world, including ours, we prioritized our employees, customers and communities, and largely continued to execute against our strategic priorities. In this way, we positioned ourselves to emerge stronger.

At Mondelēz International, in response to the COVID-19 pandemic, we have implemented strict health and safety protocols and taken appropriate measures in our facilities, including implementing temperature screening, social distancing, mask wearing and work-from-home policies where applicable. As local governments began planning their vaccine rollout programs, we developed and deployed a three-phased vaccine advocacy strategy to understand intent, drive interest and secure vaccine availability for our colleagues all around the world. We will continue to employ a flexible approach to how and where we work for our office-based employees, focusing on new ways of working in the workplace that enables colleagues to work remotely when appropriate and evolves our office spaces to foster greater connection and collaboration.

“In response to the COVID-19 pandemic, we implemented strict health and safety protocols and took appropriate measures in our facilities, including temperature screening, social distancing, mask wearing and work-from-home policies, where applicable.”



Taking care of our communities

As of the end of 2021, Mondelēz International has contributed over \$30 million to global relief efforts – including food banks, healthcare systems, and humanitarian organizations – in the communities where we operate around the world.

[Click here for more details on our actions to address COVID-19](#)



SPECIAL UPDATE ON THE WAR IN UKRAINE

Mondelēz International condemns Russia's unjust aggression and the senseless violence we have seen since the start of the invasion into Ukraine. We stand firmly with those calling for peace and an end to the war.

In response, we have prioritized the safety of our employees in the region and taken a number of steps to protect them. Although our manufacturing facilities in Ukraine have been closed since the start of the hostilities, we are continuing to pay our employees and working hard to make food available in Ukraine, including by donating product and working with distributors. We also are providing strong financial support, border-crossing assistance, and help with finding safe housing.

In addition, we are stepping up our commitment to relief efforts by dedicating \$10 million to support humanitarian activity and food security. This assistance includes donations to international and local aid organizations that are providing broad support to all the people of Ukraine, as well as to

the specific communities where we have plants. In Trostyanets, where we have a production facility, we secured diesel generators to help power public facilities and helped safely transfer more than 100 children from Ukraine to Turkey.

In Russia, we are continuing to support our employees and manufacture food, but scaling back our activities in this market to focus only on basic offerings, and stopping all new capital investment, advertising, commercial sponsorships, and new product launches.

Furthermore, we are continuing to comply with existing sanctions, and focused on understanding and ensuring our compliance with new sanctions applicable to our business that both the US and other governments have imposed on Russia in recent weeks.

As the situation in Ukraine is highly dynamic, we are assessing developments on an ongoing basis, so we can address and respond to them as they arise.



“We are also stepping up our commitment to relief efforts by dedicating \$10 million to support humanitarian activity and food security.”

ABOUT MONDELEZ INTERNATIONAL: OUR BUSINESS AND SUPPLY CHAINS

Mondelez International, Inc. (Nasdaq: MDLZ), headquartered in Chicago, IL, empowers people to snack right, with net revenues of approximately \$29 billion in 2021. Our mission is to lead the future of snacking around the world by offering the right snack, for the right moment, made the right way.

Around 89% of our annual revenue is generated in snacks categories. And we hold the No. 1 position globally in biscuits, as well as the No. 2 position in chocolate, gum and No.3 in candy (Source: Euromonitor, total global categories 2021). 71% of our business is outside of the United States, with a strong presence in emerging markets which represents 32% of our business.

Over 79,000 employees bring our brands to life by making and baking our delicious products, which are enjoyed in approximately 150 countries around the world.

Visit our website for more information on our business locations



Across the globe, we have a powerful value chain. We touch millions of stores and combine this with state-of-the-art manufacturing. To create our 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.

“Our mission is to lead the future of snacking around the world by offering the right snack, for the right moment, made the right way.”



Through our signature programs **Cocoa Life** and **Harmony**, we strive to make a positive impact on the farms, communities and environment where our most important raw materials – cocoa and wheat – are grown.



Cocoa supply chain

At the end of 2021, 75% of the cocoa volume for our chocolate brands was sourced sustainably through our **Cocoa Life program**, and we aim to deliver 100% by 2025. The program invests in cocoa farming communities in Côte d'Ivoire, Ghana, Indonesia, Brazil, the Dominican Republic and India, and already works with more than 200,000 farmers. Our main cocoa suppliers are listed as partners on our **Cocoa Life website**, and the full **list of our tier 1 and tier 2 suppliers** is also available. We have mapped 78% of Cocoa Life farms in an effort to gain a deeper understanding of the needs of farming communities and the boundaries of farms. Our interactive farm map is available [here](#).

Wheat supply chain

We source most of our wheat from Europe and North America. In Europe, through our **Harmony program** we partner with 1,525 farmers across seven countries (Belgium, the Czech Republic, France, Italy, Poland, Spain and Hungary). In 2021, they produced 255,535 tons of wheat flour, representing 91% of the volume needed for biscuit production in our EU business unit. In North America, we partner with the wheat supplier of our Triscuit brand, the Cooperative Elevator, their growers, and Michigan State University to gather data on farming, analyze levels of input and practices (i.e., fertilizers, pesticides, reduced tilling, cover crops) and report back to help growers identify opportunities of optimization.

Palm oil supply chain

We purchase around 0.5% of worldwide palm oil production and source it predominantly from Malaysia and Indonesia, and to a lesser degree from other countries. In 2021, we maintained our goal of sourcing 100% Roundtable for Sustainable Palm Oil (RSPO) palm oil. And as of the end of the year, in line with our **Palm Oil Action Plan**, we have achieved the traceability of 99% of our palm oil to the mill and 99% of the palm oil we buy was sourced from suppliers with policies aligned to our **Palm Oil Action Plan** and **Corporate Responsibility Expectations For Direct Suppliers**. The list of **suppliers and mills** that make up our palm oil supply is available on our website.

Hazelnut supply chain

We source most of our hazelnuts from Turkey. To address human rights risk in that supply chain, we have joined a **multistakeholder initiative** led by the International Labor Organization.

POLICIES AND GOVERNANCE

In December 2021 we introduced a dedicated [Human Rights policy](#), which demonstrates our continued commitment to pay all of our employees a living wage and, together with our [Code of Conduct](#), reinforces our long-standing commitment to respect the human rights of people within our own operations and in our value chain.

We seek to do business with partners who share the same commitment, and updated our [Supplier & Partner Code of Conduct](#) in line with our Human Rights policy in December 2021. In addition, our supplier contracts include provisions on our [Corporate Responsibility Expectations](#) including forced and child labor. The full text can be found under paragraph 15 of our [Global PO Terms & Conditions](#).

“In December 2021, we introduced a dedicated human rights policy, which demonstrates our continued commitment to pay all of our employees a living wage.”



STEPPING UP ON LIVING WAGE

We work to make communities where we matter most more resilient from a social and economic perspective.

We recognize that inequalities and poverty are often underlying drivers of other systemic human rights risks such as forced and child labor. Through our flagship sustainability program Cocoa Life, we are learning from our decade of experience on the ground in cocoa communities about the importance of living income.

Building on our ongoing commitment to pay our employees a living wage, we joined the **Sustainable Trade Initiative (IDH) Living Wage roadmap** to help advance living wage and income in global supply chains, and we are also working with peers in the AIM-Progress Living Wage working group. We will work with our suppliers with the goal of having all our strategic suppliers engaged on a living wage roadmap by 2030.

HIGHLIGHTS FROM OUR DECEMBER 2021 ANNOUNCEMENT

“We recognize rising inequalities and poverty as underlying drivers of other human rights risks. Today we are proud to join forces with leading industry peers and governments through our endorsement of IDH’s call to action to advance living wages in global supply chains, as a further demonstration of our continuation of paying our own employees around the globe a living wage.”



Dirk Van de Put, Chairman and CEO Mondelēz International



“Now is the time to take a next step towards creating a living wage economy, We applaud Mondelēz International for joining the movement and taking action on living wage. Only together, business, governments and civil society, can we pursue a world where workers are valued, treated equally, and where living wages are an integral part of a sustainable, resilient economy.”

Daan Wensing, CEO of IDH



GOVERNANCE STRUCTURE FOR HUMAN RIGHTS

The Mondelēz International Human Rights Working Group (HRWG) is a cross-functional team with members drawn from Impact, Human Resources, Compliance, Procurement, and Health & Safety functions. Together, the working group defines the company's human rights due diligence strategy and drives its implementation to embed it throughout the organization's own operations and supply chains. The HRWG meets monthly to:

- ▶ Maintain the company's human rights due diligence strategy, in line with company values and commitment to respect human rights under the UNGPs
- ▶ Oversee the implementation of the strategy and embedding of human rights due diligence throughout the organization and our business relationships
- ▶ Review and ensure appropriate actions are taken to address human rights risks surfaced by due diligence systems

This working group reports regularly to functional and business unit leaders and annually to the Board of Directors.



As part of our ongoing due diligence activities, the HRWG undertakes continuous assessments of our human rights risks and improvements of our due diligence systems, with support of the specialized human rights consultancy twentyfifty ltd. Our ongoing risk assessment is based on social audit results, grievance mechanism data, interviews with internal stakeholders in key roles and geographies, and an analysis of external studies. It confirms the need to focus on salient risks that are shared across the food industry such as child labor, forced labor, living wage/income, health and safety, freedom of association and collective bargaining, land rights, water and sanitation, and women's rights.

DUE DILIGENCE SYSTEMS AND ACTIONS TO ADDRESS IDENTIFIED HUMAN RIGHTS RISKS

Own operations and tier-1 suppliers

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

For our own operations and prioritized strategic tier 1 suppliers, we use the [SMETA audit 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. In addition, before engaging in new business relationships – and during the course of business, we conduct appropriate and risk-based due diligence, which includes screening potential suppliers against restricted party lists from authorities worldwide, which may include human rights related information. These systems support the identification of potential risks, help guide our approach for impact mitigation and monitoring, and inform our procurement practices.

In 2021, many of our manufacturing sites had to postpone audits to respect local COVID-19 restrictions, strict health and safety protocols to protect the health of auditors and of our people. As a result, as the pandemic entered its third year, 38% of our global manufacturing sites have completed a SMETA audit over the past three years. In the AMEA (Asia, Middle East & Africa) and Latin America regions, 50% of our plants have completed a SMETA audit over the past three years. Our suppliers experienced similar disruptions. As a result, 49% of the 190 suppliers we prioritized in 2021, performed a SMETA audit. In 2021, we started a new auditing cycle using [Sedex's Radar risk assessment tool](#) to prioritize suppliers based on human rights related risk.

Despite the continued pandemic and related constraints, we are working hard to execute audits of our remaining global manufacturing sites and supply chain. Beyond our audit program, we continued to strengthen our human rights due diligence systems: building internal capability, embedding good practices within the relevant functions and local business units, and prioritizing key risks.

CASE STUDY

Turning insight into action in South East Asia

Building on learnings from Human Rights Impact Assessments carried out in 2019, our South East Asia (SEA) team strengthened recruitment practices in our manufacturing plants across the region. The team implemented safeguards, including formal interviews with all incoming workers, a self-declaration process and capability building to deepen awareness of our [Human Rights Policy](#) and [Speak Up line](#). They reviewed the recruitment agencies we work with in the region, strengthened contractual agreements to incorporate elements on forced labor prevention where relevant, and terminated the partnership with one supplier, where engagement did not lead to necessary improvement in their recruitment practices.

As we work towards our goal to implement robust Human Rights due diligence across our own operations and supply chain by 2025, we will continue to learn from the team in SEA to strengthen our recruitment practices globally – informed by emerging industry best practice and our practical experience.



In 2021, we continued rolling out our Human Rights training program in support of our [Human Rights policy](#) with the aim of completion by all direct employees by 2024. A general Human Rights module available in close to thirty languages is meant for all employees, including our manufacturing colleagues, and aims to raise awareness of key risks and the role that we all play in making sure that everyone is treated with care and integrity.

Furthermore, a more bespoke training was also delivered to our Human Resources manager community on the SMETA audit methodology to further strengthen their understanding of the methodology, take corrective action where needed, and continuously improve our systems and practices.

As part of our due diligence systems, our grievance mechanism, in the form of our [Integrity HelpLine and WebLine](#), is made available to our employees, contractors, subcontractors, and other third parties to raise concerns and to better enable Mondelēz International to appropriately address potential human rights impacts. Through our “Speaking Up and Investigations Policy,” we encourage and expect our employees to report concerns or questions regarding our Code of Conduct and other policies, including any related to human rights and modern slavery. We are also committed to non-retaliation, and we reinforce our “speaking up” and “non-retaliation” expectations through regular compliance training. Allegations of potential human rights impacts are handled with utmost urgency by the Compliance team.

“We encourage and expect our employees to report concerns or questions regarding our policies, including any related to human rights and modern slavery.”



ADDRESSING KEY RISKS IN OWN OPERATIONS AND TIER-1 SUPPLY CHAIN

Modern Slavery

As part of our continued membership of the Human Rights Coalition of Action within the Consumer Goods Forum, in 2021 we joined the [Human Rights Due Diligence Project](#). This project is key in supporting our progress towards [our goal](#) of having forced labor focused Human Rights Due Diligence (HRDD) systems in 100% of our own operations by 2025.

The Human Rights Coalition of Action is dedicated to working to end forced labor in the consumer goods industry, and will drive individual member company and collective action towards the implementation of the [Priority Industry Principles](#) in own operations and supply chains.

Health & safety

The safety of all colleagues working on our sites – whether they are direct employees, contractors, or temporary workers – is a top priority. Every day, we strive to ensure all our employees feel safe, and are able to work in an accident-free environment. We strive to build a safety culture that promotes our goal of zero incidents and zero defects by eliminating risks across four key areas:

- 1) **Occupational Health:** To safeguard our employees against long-term health issues related to the workplace;
- 2) **Personal Safety:** To entrench safe working tools and standards that promote the personal safety of every individual within our company;
- 3) **Process Safety:** To improve the design, implementation, management and control of any identified hazardous process within our operations; and
- 4) **Vehicle Safety:** To improve driver safety and vehicle-related activities in all of our functions and operations.

“In 2021, we joined the Human Rights Due Diligence Project. This is key in enabling our goal of having human rights due diligence systems that focus on forced labor in 100% of our own operations by 2025.”

The global benchmark for a world-class Total Incident Rate (TIR) is 0.5. We compare our performance against this benchmark and continue to perform well below the 0.5 level, currently operating at 0.21, with 38% of our facilities operating with a zero TIR in 2021, despite the challenges posed by the COVID-19 pandemic, which required us to hire temporary help.

Through ongoing capability building, enhanced protocols and safety measures, we've improved our safety performance year after year. TIR as a primary indicator has been helpful to drive this reduction in incidents. To also monitor and work to prevent high-severity incidents, we revised our primary metrics in 2020 to include Severity and Total Accident Rate (TAR).

This allows us to focus on all incidents including first aid cases and high severity. In 2021, we recorded a 21% reduction in Severity incidents vs our 2020 baseline year. This included zero work-related fatalities and zero severity incidents across 57 of our manufacturing facilities. We also reduced our Total Recordable Accidents by 17% year-on-year. Our continued focus on safety has resulted in a 62% reduction in TIR since 2013.

“Our goal is to create and sustain a workplace where differences are valued and everyone can be themselves.”

Gender equity

At Mondelēz International, our goal is to create and sustain a workplace where differences are valued and where everyone can be themselves. We are all unique in ways one can and cannot see, and we aim to attract, develop and nurture talent wherever it exists, embedding Diversity, Equity & Inclusion in all our People processes and nurturing a culture where everyone is treated with integrity and respect. As part of our Diversity, Equity & Inclusion agenda, we are taking a stance for gender equity within our operations with ambitious goals to close our senior-level gap of women in leadership and ensure pay equality.

These goals are supported by a variety of initiatives focused on building inclusive leadership behaviors to harness diversity of thought and holding people accountable for creating a culture that values differences. Our goal is to spend \$1 billion with minority and women-owned businesses by 2024. We are advocating for the full participation and equal treatment of women in our enterprises and in the

larger community. A broad concept of sustainability and corporate responsibility that embraces women’s empowerment is one of our key goals.

We annually review our global gender pay equity and take deliberate actions to eliminate the gap and ensure pay equity for women. We provide consistent gender-neutral minimum standards for parental leave within each geography and have a global philosophy on flexible working. In addition, we ensure balanced slates and interview panels for all leadership roles.

These initiatives are delivering progress. Our last global analysis in 2021 encompassed 81 countries and over 32,000 employees. From this analysis, we noted our pay gap between male and female employees was less than 1%. At the end of 2021, women held 39.3% of global management roles (defined as Director and above) and 27.3% of executive leadership roles (defined as the Management Leadership Team plus one level below).



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 oil supply chains, we have developed thorough 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 raw materials supply chain. The prioritized risk assessment run by WWF examined raw materials 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.



“In our raw materials supply chain, our sustainability 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.”

COCOA SUPPLY CHAIN

In the cocoa supply chain, we address human rights risks through Cocoa Life. Since launching Cocoa life in 2012, we have invested over \$400 million in helping over 200,000 cocoa farmers and an estimated 3 million community members across six countries – Ghana, Côte d’Ivoire, India, Indonesia, the Dominican Republic and Brazil.

Cocoa Life’s integrated approach is designed to promote the human rights of smallholder famers, as well as the social and economic resilience of cocoa farming communities. When a new community joins the program, our NGO partners conduct a thorough participatory needs assessment on focus areas including labor risks such as forced and child labor. Based on this assessment and with support from our partners, community members develop a Community Action Plan, which provides a detailed roadmap for community activation. Based on this plan, and as part of the program’s holistic approach, our partners then implement a range of activities that address the issues identified.

In 2021, and since the COVID-19 pandemic started, providing communities with critical support has

been our utmost priority. Despite the challenges related to COVID 19, we have continued to scale up our program, creating tangible results in cocoa-growing communities.

2022 marks the 10-year anniversary of our Cocoa Life program. Our impact data, independently measured by Ipsos, demonstrates that the program delivered positive impact for more than 200,000 cocoa farmers, whose production represents 75% of our chocolate volume. Key highlights from our impact data shows farmers and their communities’ social and economic resilience improved over the past ten years:

- ▶ Farmers’ net incomes from cocoa and other sources are steadily rising, at an average of **15%** in Ghana and **33%** in Cote d’Ivoire (as of end 2021 vs. 2019), helping to pull more Cocoa Life farming households out of poverty
- ▶ Communities are better equipped to drive their development with **nearly all** of them having community action plans in place, **70%** of which are supported by local governments



“2022 marks the 10-year anniversary of our Cocoa Life program. Our impact data, independently measured by Ipsos, demonstrates that the program delivered positive impact for more than 200,000 cocoa farmers, whose production represents 75% of our chocolate volume.”

Living income

Drawing on nearly ten years of experience working with farmers to help improve their net income, in November 2021, in partnership with Wageningen University & Research (WUR) we published a new paper, [Balancing the Living Income Challenge](#), outlining the need for the cocoa sector to take a multi-actor approach for more farmers to achieve a living income. This follows the executive summary paper, [No Silver Bullets](#), which we co-published with WUR in 2020.

We are calling for greater collaboration across the sector to approach the income challenges facing cocoa farmers. Mondelēz International drives positive, measurable change on the ground through Cocoa Life, yet we know that more action is needed as a sector. We need all stakeholders from the cocoa sector – governments, producers, suppliers, investors, farmers and more – to come together to build a shared understanding of the living income challenge, so that every actor can determine where they can have the most impact and develop coordinated strategies to do so.



“We are calling for greater collaboration across the sector to approach the income challenges facing cocoa farmers.”

Child labor

Child labor is a symptom of underlying systemic issues in the cocoa supply chain such as poverty and slow rural development. Our Cocoa Life program’s holistic approach addresses these root causes through interventions to increase income, empower communities to advocate for their development, and the empowerment of women at household and community level. Our goal is to set up a Child Labor Monitoring and Remediation System (CLMRS) in all Cocoa Life communities in West Africa by 2025, including Côte d’Ivoire and Ghana, where [third-party studies](#) including [independent assessments](#) commissioned by Mondelēz International confirmed a significant risk of child labor.

In 2021, we made significant progress in rolling out CLMRS, expanding coverage to 1,548 communities, bringing us to 61% coverage in West Africa. A Cocoa Life community is considered covered by a CLMRS, when people have been sensitized to the dangers of child labour and remediation is under way for identified vulnerable children. The local school is also involved, children

then learn about their rights, and a committee of community volunteers is put in place to serve as the focal point on child protection issues. This committee then takes action when a child is found to be in a situation involving child labor, working in partnership with the local authorities and with the support of our local NGO partner.

Ending child labor across the West African cocoa sector is more than Mondelēz International can do alone, so we collaborate with a number of stakeholders across the cocoa supply chain. Through our involvement with the [World Cocoa Foundation \(WCF\)](#) and the [International Cocoa Initiative \(ICI\)](#), we support a systemic approach to address the root causes of child labor and call for strong public private partnerships with governments, development partners and civil society organizations.

On the key topic of education, we also work together with the Ivorian government, foundations, peers and suppliers in the [CLEF and ELAN initiatives](#) led by the Jacobs Foundation. Through these two initiatives, which aim to raise a total of CHF 150 million (~USD \$150 million),

Mondelēz International is investing CHF 3 million to address children’s inadequate access to quality education in cocoa-growing regions: a key root cause of child labor, which can only be addressed systemically. The goal is to improve access and quality of education for 5 million children, reaching 90% of rural primary schools in Côte d’Ivoire through the construction of 2,500 classrooms, and tested interventions to improve teaching quality.

These initiatives will strengthen the Ivorian educational system and benefit children of cocoa farmers across the sector, including those in our supply chain. Building on the success of this public-private initiative, we are encouraging the Jacobs Foundation to partner with the Ghanaian government to expand this initiative to our other key cocoa sourcing country, Ghana.

For more on our actions to address child labor through Cocoa Life



“Mondelēz International is investing CHF 3 million to address children’s inadequate access to quality education in cocoa-growing regions: a key root cause of child labor.”

Modern Slavery

Independent reports show a risk of forced labor affecting both adult and children in the West African cocoa supply chain. **Research by Verité** commissioned by the International Cocoa Initiative (ICI), concluded that poverty, price volatility in cocoa, low levels of education, the nature of small-scale farming and limitations in law enforcement are root cause factors that drive forced labor.

Informed by Verité’s findings and recommendations, ICI is developing practical tools to identify and mitigate forced labor risks, put in place preventive measures, and allow people in situations of forced labor to raise the alarm and access support. As part of our Cocoa Life activities in Cote d’Ivoire and Ghana, we are using the learnings from these activities to guide our response to forced labor risk, and to inform the necessary industry collective action and collaboration with governments to effectively mitigate this risk systemically.

Gender Equity

Cocoa Life also addresses the striking gender inequality in cocoa-growing communities, where women farmers have lower incomes and less access to financing, inputs, and land ownership. In October 2018, we published renewed **Women’s Empowerment Action Plans** for four of our key origins. The action plans show how, in each origin, we empower more women through all areas of our approach – how we help them: run more successful farms; take a more active role in community decision making; be able to give their children a quality education; make cocoa farming more attractive for young people; become more entrepreneurial; and protect their natural environment.

For more on our actions to empower women through Cocoa Life



For more information on the progress and impact of Cocoa Life take a look at pages 63-66 of our 2021 Snacking Made Right Report.



PALM OIL SUPPLY CHAIN

Mondelēz International is committed to sourcing palm oil sustainably, and is collaborating with its suppliers, the Consumer Goods Forum Forest Positive Coalition of Action and [Human Rights Coalition of Action](#) to help eradicate deforestation and human rights violations in the palm oil supply chain.

Given the small proportion of the global palm oil supply that we purchase, our direct impact on the supply chain is limited. Therefore, we seek to use our influence by engaging with stakeholders to support the transition to sustainable practices across the palm oil sector, as detailed in our [Palm Oil Action Plan](#). As of 2021, we have achieved the traceability of 99% of our palm oil to the mill and 100% of the palm oil we buy was sourced from [suppliers](#) with policies aligned to ours.

We continue to review and update our [Palm Oil Action Plan](#) to reiterate our commitment to support the transition to sustainable practices and reflect the latest sustainability developments in the palm oil sector.

“At the end of 2021, 100% of our palm oil was sourced from suppliers aligned to our Palm Oil Action Plan, achieving our goal of 100% by 2025 four years ahead of our plan. In addition, we continued to achieve 100% Roundtable on Sustainable Palm Oil (RSPO) certified in 2021.”



Modern Slavery

Research, including [this Fair Labor Association report](#) commissioned by the Consumer Goods Forum, have confirmed that forced labor is an issue affecting the Malaysian palm oil sector. To better understand how the issue is affecting migrant workers across the sector, in November 2020 we commissioned an [independent assessment](#) from Embode, together with suppliers Bunge Lodders Crokiaan and Cargill. Embode’s findings and recommendations continue to inform our approach and the sector’s actions more broadly.

In line with our sourcing principles, our [Palm Oil Action Plan](#) requires that our suppliers respect the human rights of all workers, including migrant workers, within both their own operations and through their supply chains. More specifically, it also requires that they embed the Consumer Goods Forum’s [Priority Industry Principles against Forced Labor](#) within their practices in their own operations as well as in their engagement with third-party suppliers. To ensure progress, we also actively participate in the Palm

Oil Transparency Coalitions supplier and trader assessment to track progress against critical social sustainability topics.

To support the mainstreaming of robust due diligence practices in the palm oil sector, we have joined forces with peers in the [CGF Human Rights Coalition](#), the [Fair Labor Association](#), and the [International Organization for Migration](#) to deploy and test systems at each stage of the supply chain. Recognizing the systemic nature and its prevalence among migrant workers, we complement this support to palm oil suppliers with engagement of key actors of the Malaysian recruitment market, as well as joint advocacy towards the Malaysian government and the government of migrant workers’ country of origin.

For more information on our activities in palm oil



HAZELNUT SUPPLY CHAIN

Child labor

Most of the world's hazelnut production comes from Turkey. Research, including studies conducted [by the US Department of Labor](#) and the [Fair Labor Association](#) have confirmed the risk of child labor in the Turkish hazelnut sector, which relies on migrant workers during the harvest season, who often travel to the hazelnut growing regions with their families.

We joined [CAOBISCO's partnership with the International Labor Organization](#) to help combat child labor in seasonal harvesting. This Public-Private Partnership Agreement contributes to overall policy advocacy and implementation, expansion of the knowledge base and improvement of institutional capacity for the elimination of child labor in the hazelnut sector. [Key outcomes from the program](#) during the 2021 harvest season include awareness raising sessions with seasonal workers and their families, outreach to hazelnut orchard owners and labor intermediaries. As a result, 1,456 children were removed or prevented from engaging in harvesting activities across the Black Sea region and benefited from educational activities.



“We joined CAOBISCO’s partnership with the International Labor Organization to help combat child labor in seasonal harvesting.”

OTHER SUPPLY CHAINS



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 rights (including labor rights such as forced and child labor), land rights, gender, and environmental footprint.

COMMUNITIES WHERE WE MATTER MOST

PROMOTING SOCIAL AND ECONOMIC RESILIENCE THROUGH IMPACT INVESTMENTS & SOCIAL VENTURES

In 2020, we created Sustainable Futures, our Impact Investment platform. Sustainable Futures funds innovation, incubation and collaboration to unlock self-sustaining solutions in key areas of focus: addressing climate change, reducing plastic waste, building thriving ingredient sources, and uplifting the communities in which we live and work. We seek to create partnerships with like-minded investors, increase the impact Mondelēz International can have on the world and create self-sustaining projects.

Through Sustainable Futures, we bring together Impact Investments and Social Ventures. Alongside Sustainable Futures, we continue with the Mondelēz International Foundation (MIF).

“We have a great opportunity to positively influence landscapes and communities where we source our key raw ingredients such as cocoa and palm oil, and that’s where we seek to make a positive impact.”

Impact Investments

We have a great opportunity to positively influence landscapes and communities where we source our key raw ingredients such as cocoa and palm oil, and that’s where we seek to make a positive impact. With Sustainable Futures, we will venture into impact investing to incubate, finance and support co-funded, self-sustaining ventures with like-minded investors. This includes, for instance, future investment in projects that address climate change in areas where we source some of our key raw materials.





Social Ventures

Our financial means can be put to use in ways that create positive impact in the communities in which we operate. We can partner with social entrepreneurs to provide support in the form of seed funding or growth capital to help them incubate, nurture and scale their ideas toward a more sustainable and equitable future. From recycling to agricultural diversification to projects that support marginalized communities, our financial support can generate environmental and social impact all over the world. Current funding includes seed investment into an NGO that will set up a sustainable social enterprise to upcycle multi-layered plastic packaging into board for multiple uses in India, and INMED Aquaponics Social Enterprise (ASE), a venture supporting agro-entrepreneurs in climate-smart food production.

“From recycling to agricultural diversification to projects that support marginalized communities, our financial support can generate environmental and social impact all over the world.”

Mondelēz International Foundation (MIF)

As a responsible global company, we seek to support others in times of greatest need. For many years, alongside its work to promote nutrition, the Mondelēz International Foundation (MIF) has supported communities by working with a disaster relief fund managed by the IFRC (Red Cross). We will continue to engage with the IFRC and other NGOs via grants and matching funds to colleagues’ gifts. This will better enable us to help with disaster relief across the world, supporting communities and people to withstand and overcome the most severe disasters like earthquakes, hurricanes, flooding and disease.

COLLABORATING FOR CHANGE AND ADVOCATING FOR HUMAN RIGHTS DUE DILIGENCE LEGISLATION

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 a board member of the [Consumer Goods Forum \(CGF\)](#) we have reiterated our commitment to help eradicate forced labor, and to work collaboratively with others as these are issues we cannot resolve alone. We are a core member of the CGF’s Human Rights Coalition of Action and support CGF’s Priority Industry Principles on Forced Labor.

Multistakeholder collaboration in the cocoa supply chain

We join forces 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 \(ICI\)](#),

a multi-stakeholder platform, whose mission is to help eliminate child labor and forced labor in the cocoa sector. Through these platforms, we also call for industry and governments to join forces to create comprehensive, systemic solutions that address the root causes of child and forced labor.

Advocating for Human Rights Due Diligence Legislation

Beyond our active participation and leadership in collective action platforms, Mondelēz International has been a [vocal advocate](#) in favor of mandatory human rights due diligence legislation. Recognizing the systemic nature of human rights issues in global supply chains and the need for all actors along the supply chain to work together to address them. We support legislative efforts aimed at enabling practical, proactive, ongoing human rights due diligence, and welcome the EU Commission’s proposed Corporate Sustainability Due Diligence directive (issued in February 2022), which will require companies to identify and address human rights and environmental risks in their value chain.



“We welcome the EU Commission’s proposed Corporate Sustainability Due Diligence directive (issued in February 2022), which will require companies to identify and address human rights and environmental risks in their value chain.”



“It’s very significant that Mondelēz International was prepared to stick their head above the parapet and say: ‘actually, we need human rights due diligence to become mandatory, so that we can level the playing field and that all businesses start upholding human rights standards in their supply chain’. This kind of engagement with the European Union played an important role in bringing about the new due diligence law in one of the biggest markets in the world.”

Dr. Aidan McQuade,
Human Rights Expert and author of Ethical Leadership: moral decision-making under pressure

MEASURING PROGRESS AND EFFECTIVENESS OF OUR ACTIONS

VALUE CHAIN SCOPE	GOALS	2021 PROGRESS
OWN OPERATIONS	Due diligence systems	
	100% manufacturing sites completed SMETA audit within 3 years	Covid-related delays 38%
	Health & safety	
	Continue to consistently achieve world-class Total Incident Rate (TIR) of 0.5	Strong 0.21
	Achieve year-over-year reduction in Total Accident Rate (TAR)***	Strong -21%
TIER-1 SUPPLIERS	Diversity, Equity & Inclusion	
	Increase representation percentage of women in executive leadership roles by 2024*	Strong 39%
UPSTREAM SUPPLY CHAINS	Due diligence systems	
	100% prioritized supplier sites completed SMETA audit in past year	Covid-related delays 49%
	Cocoa supply chain	
	Cocoa Life: 100% volume for chocolate brands sourced through Cocoa Life by 2025**	On track 75%
	Child labor: monitoring and remediation measures at 10% Cocoa Life communities in West Africa by 2025***	On track 61%
	Palm oil supply chain	
Palm oil RSPO certified: 100% by 2025 (since 2013)	Achieved 100%	
Palm from suppliers aligned with Palm Oil Action Plan/policy: 100% by 2025 (since 2014)	On track 100%	
COMMUNITIES WHERE WE MATTER MOST	Invest in innovative Sustainable Futures ventures and funds	On track

* 2013 baseline **2012 baseline ***2020 baseline