

Mondelēz International remains committed to responsible production and sourcing practices

- Cadbury and Kraft Foods were founding members of AIM-PROGRESS, an industry forum dedicated to improving practices in the Fast Moving Consumer Goods industry
- The AIM-PROGRESS initiative supports a common set of Corporate Social Responsibility (CSR) standards and drives for efficiencies on performance improvement
- Currently there are (35) A-P member companies representing a total of over ½ trillion USD in annual turnover
- Going forward, we will continue to leverage the independent 3rd party Supplier Ethical Data Exchange ([SEDEX](#)) organization to empower and improve the supply chain
- The SEDEX process and system enables the sharing of data and thereby reduces the need for multiple CSR assessments and audits for suppliers



SEDEX Process Flow



Supplier On-Boarding

- **Buyers** engage **Suppliers** to register in the third party **SEDEX** database
- Suppliers link their manufacturing sites to Mondelēz International
- **Cost to the Supplier** ~\$55 USD/Site annually

Supplier Site SAQ

- **Suppliers complete a SAQ:** Self Assessment Questionnaire in **SEDEX** for each manufacturing site supplying to Mondelēz International
- **A SAQ can be risk assessed** when it is 95% or more complete

The Self Assessment Questionnaire (SAQ) covers four areas of CSR:

- **Labor**
- **Health and Safety**
- **Environmental**
- **Business Integrity**



Risk Assessment

- The **SEDEX** system automatically assigns a **HIGH/MEDIUM/LOW** risk rating to each completed SAQ
- Assessments are reviewed with the suppliers as necessary to understand factors driving high risk ratings

3rd party Audits

- 1. Buyers** communicate the audit requirement to **Suppliers**
 - 2. Suppliers** schedule and engage with approved third party auditors
 - 3. Auditors** upload results into the SEDEX system
 - 4. Suppliers** are to inform Buyers upon completion and share results
- **Suppliers** pay for all audits. Typical cost: ~\$2-3M USD/audit

Corrective Action

- **Suppliers** work with **Auditors** to address identified issues. Re-audits are scheduled by suppliers as needed
- Unresolved audit non-conformances are escalated by the Buyers to business or category teams and are managed as red risk suppliers