



Modern Slavery Statement 2017

Slavery, servitude, forced labor and human trafficking (“modern slavery”) are issues of increasing global concern, affecting several sectors in several countries around the world. Mondelēz International is committed to do business the right way and to its responsibility to respect human rights. Modern slavery is fundamentally unacceptable within our operations and supply chains and is an important element of our [commitment to respect human rights](#).

This Modern Slavery Statement addresses the UK Modern Slavery Act and California Transparency in Supply Chains Act. It sets out the steps taken by Mondelēz International during the course of 2017 to prevent modern slavery in our operations and supply chains.

About Mondelēz International

Mondelēz International, Inc. (NASDAQ: MDLZ), headquartered in Deerfield IL, is one of the world’s largest snacks companies with 2017 net revenues of approximately \$26 billion.

Our purpose and vision are to create more moments of joy by building the best snacking company in the world.

Our 90,000 employees support this effort by manufacturing and marketing delicious food and beverage products for consumers in approximately 165 countries around the world. (For more information on our business locations, visit our website:

<https://www.mondelezinternational.com/en>)

We are a world leader in biscuits, chocolate, gum, candy and powdered beverages. We hold the No. 1 position globally in biscuits and candy as well as the No. 2 position in chocolate and gum. (source: Euromonitor)

About 85 percent of our annual revenue is generated in attractive snacks categories, and nearly three-quarters of our sales come from outside of North America.

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.

Commitment to respect human rights

Mondelēz 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.

Policies and contractual controls

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.

Due diligence and actions to address identified risks

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.

Training on modern slavery

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.

Collaborating for change



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.