

Mondelez International Inc.

TICKER:
NASDAQ: MDLZ

MARKET CAPITALIZATION:
US\$ 66 billion

HEADQUARTERS:
United States

8 OUT OF 20

Company's Overall Ranking

30 OUT OF 100

Company's Overall Score

Mondelēz International Inc. (Mondelēz) demonstrates average disclosure compared to its peers of its policies and practices aimed at addressing forced labor risks in its supply chain, ranking eighth on the benchmark overall. The company exhibits leading practice with respect to its integration of forced labor standards into supplier contracts. Additionally, its rank is driven by its training practices, processes to trace its supply chain, and corrective action plans. The company is encouraged to strengthen its supply chain standards, its approach to responsible recruitment of workers in its supply chain, and disclose evidence that it ensures suppliers workers' voices are heard.

THEME LEVEL SCORE

Commitment and Governance	49 out of 100
Traceability and Risk Assessment	38 out of 100
Purchasing Practices	31 out of 100
Recruitment	0 out of 100
Worker Voice	10 out of 100
Monitoring	35 out of 100
Remedy	50 out of 100

LEADING PRACTICES

Integration into Supplier Contracts

Mondelēz integrates its forced labor and human trafficking standards into supplier contracts. Within its Purchase Order Terms and Conditions, the company specifically prohibits forced labor and restrictions on freedom of movement and, amongst other things, specifically prohibits restricting workers' freedom of movement by controlling identity papers.

NOTABLE FINDINGS

Training

Mondelēz has training programs for its procurement staff. The training program helps employees identify and mitigate labor-related sourcing risks and includes a section on human trafficking and slavery.

Traceability

The company discloses its efforts in tracing its supply chain. Mondelēz purchases palm oil from the Roundtable for Sustainable Palm Oil (RSPO) which covers 100% of its use since 2013. The company discloses in its 2015 Progress Report that 90% of the palm oil it sourced was traceable to the mill.

Corrective Action Plans

The company has a process to create corrective action plans with suppliers found to be in violation of applicable regulations and/or the company's standards. Mondelēz's critical suppliers complete Sedex Members Ethical Trade Audits (SMETA). Corrective action plans are created for non-compliances with a stipulated timeline for resolving them and the company conducts re-audits as needed. Mondelēz requests that suppliers provide evidence that critical non-compliances have been resolved. Should a supplier fail to solve critical issues, the company may terminate the business arrangement with the supplier.

OPPORTUNITIES FOR IMPROVEMENT

Supply Chain Standard

Although Mondelēz mentions expectations for suppliers to uphold workers' fundamental rights, with specific reference to the ILO Convention on minimum age limit (The ILO Convention 138), it can strengthen its standard by including reference to all four fundamental rights and freedoms, including the right to freedom of association and collective bargaining. The company is further encouraged to ensure its supply chain standard is approved by a senior executive, is easily accessible from the company's website, and is reviewed and updated regularly.

Recruitment

Mondelēz may consider disclosing a policy that requires recruitment agencies to uphold workers' rights and suppliers to directly employ workers. Further, the company is encouraged to prohibit recruitment fees from being charged in its supply chain, to audit recruiters in its supply chain to assess forced labor risks, and to require that suppliers disclose to them a list of recruiters that they use.

Worker Voice

The company may consider disclosing how it communicates its human trafficking and forced labor policies and standards to workers in its supply chain and engages workers outside of the context of the factories in which they work on their workplace rights. Mondelēz is also encouraged to disclose how it works with suppliers to ensure workplace environments in which workers are able to pursue alternative forms of organizing especially where there are restrictions on freedom of association. In addition, it may consider strengthening its grievance mechanism available to supply chain workers by ensuring the mechanism is trusted and proactively communicating to suppliers' workers.

COMPANY PROVIDED ADDITIONAL DISCLOSURE

[Yes.](#)