

Resolved: Shareholders of Mondelez International, Inc. (“Mondelez”) request that the Board of Directors issue a report, at reasonable cost and omitting proprietary information, assessing the actual and potential human rights impacts on migrant workers in its sugar supply chain in India and providing evidence of the effectiveness of the Company’s policies to address these risks. The report should address working conditions and recruitment practices that can contribute to forced labor and child labor risks, and other human rights abuses affecting migrant workers. The report should be publicly disclosed within one year from Mondelez’s 2025 annual meeting.

Whereas:

The New York Times¹ has documented human rights violations in India’s sugar production, including forced and child labor under “a brutal system of labor that exploits young girls”², implicating Mondelez and others.

These human rights abuses are linked to a deeply flawed and opaque recruitment system, where sugar mills rely on labor contractors to hire workers from rural areas.³ Labor contractors typically offer these workers advances to cover migration costs, then deduct wages for medical leave or unworked days, effectively trapping workers in cycles of debt bondage, a form of forced labor. Children are subjected to illegal labor, working in hazardous conditions alongside their parents. An especially severe consequence for female workers is the disproportionately high rate of hysterectomies. Facing financial entrapment and harsh working conditions without access to proper sanitation, women feel pressured to undergo unnecessary surgeries to avoid menstruation-related work disruptions. Labor contractors provide loans for these procedures, indebting workers even further.⁴

Mondelez reportedly sources from at least one mill in Maharashtra⁵, which has been certified by Bonsucro.⁶ However, a New York Times investigation found that inspections carried out by Bonsucro were “all but guaranteed not to find problems” and that the inspection process was “stage-managed.”⁷

India is a “top priority market” for Mondelez “at the helm of driving the company’s success story worldwide.” Mondelez owns a manufacturing facility and a global Research & Development Technical Centre and Global Business Hub in Maharashtra.⁸

Mondelez reports on the vulnerability of migrant workers in its palm oil and hazelnut supply chains,⁹ and has identified sugarcane as a “top priority” from a human rights perspective and forced and child labor

¹ <https://www.nytimes.com/2024/03/24/world/asia/india-sugar-cane-fields-child-labor-hysterectomies.html>

² <https://www.nytimes.com/video/world/asia/100000009363281/sugar-industry-exploitation-of-women.html>

³ https://www.oxfamindia.org/sites/default/files/2020-02/%23Human%20Cost%20of%20Sugar_Maharashtra%20Case.pdf

⁴ <https://www.nytimes.com/2024/03/24/world/asia/india-sugar-cane-fields-child-labor-hysterectomies.html>

⁵ <https://www.nytimes.com/2024/03/24/world/asia/india-sugar-cane-fields-child-labor-hysterectomies.html>

⁶ <https://www.nytimes.com/2024/07/30/world/asia/sugar-human-rights-bonsucro-india-hysterectomies.html>

⁷ <https://www.nytimes.com/2024/07/30/world/asia/sugar-human-rights-bonsucro-india-hysterectomies.html>

⁸ <https://www.mondelezinternational.com/india/india-business/>

⁹ <https://www.mondelezinternational.com/assets/About-Us/Human-Rights/MDLZ-HRDD-and-Modern-Slavery-Report-2023.pdf>

as salient human rights risks,¹⁰ but does not disclose a forced labor risk assessment for its sugar supply chain¹¹ and has not disclosed any information in response to documented abuses in India.

Combined with increasing global regulatory requirements mandating supply chain due diligence and disclosure to which the company is subject, these issues may contribute to enterprise, legal, regulatory, and reputational risks for Mondelēz and its shareholders.

This report will enable investors to assess the effectiveness of the company's due diligence efforts and help Mondelēz identify, prioritize, remedy, and avoid adverse impacts throughout its Indian sugar supply chain. Strengthening its commitment to human rights should enhance long-term shareholder value by mitigating the associated risks.

¹⁰ <https://www.mondelezinternational.com/assets/About-Us/Human-Rights/MDLZ-HRDD-and-Modern-Slavery-Report-2023.pdf>

¹¹ <https://knowthechain.org/company/mondelez-international-inc-3/>