

# 2023 ANNUAL REPORT

## PURPOSE

This annual report for the 2023 financial reporting year has been created by Mondelez Canada Inc. (hereinafter referred to as “**Mondelēz Canada**”) for the sole purpose of meeting its obligations and reporting requirements for entities pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, SC 2023, c 9 (the “**Act**”).

## OUR COMMITMENT

Mondelēz Canada is committed to helping to prevent and reduce the risk that forced labour or child labour is used at any step in the production of goods, including goods that Mondelēz Canada imports into Canada.

## CATEGORIZATION, SECTOR, AND INDUSTRY

### ***Mondelēz Canada is an entity under the Act***

Mondelēz Canada is a corporation incorporated pursuant to the *Canada Business Corporations Act*, RSC 1985, c C-44. Its key activities are manufacturing, marketing, and the sale of food products for local consumers and world markets.

Mondelēz Canada is an entity within a group of entities held by Mondelēz International, Inc. (“**Mondelēz International**”), headquartered in Chicago, Illinois, United States. Certain affiliate entities of Mondelēz Canada, also held by Mondelēz International, are subject to reporting in their jurisdictions, such as, Germany, the United Kingdom, Norway, Switzerland, and Australia. However, Mondelēz Canada is not subject to reporting requirements under supply chain legislation in other jurisdictions.

In terms of the Act’s threshold requirements, Mondelēz Canada has at least \$20 million in assets for at least one of its two most recent financial years, it has generated at least \$40 million in revenue for at least one of its two most recent financial years, and it employs an average of at least 250 employees for at least one of its two most recent financial years. Give & Go Prepared Foods Corporation, a subsidiary of Mondelēz Canada, is also a reporting entity under the Act, and will be submitting a 2023 annual report under the Act, separately.

### ***Our Operations***

Mondelēz Canada operates in the manufacturing sector. Its head office is based in Toronto, Ontario and it has a sales office in Montreal, Québec.

Mondelēz Canada produces goods in Canada, sells goods in Canada and outside Canada, distributes goods in Canada and outside Canada, and imports goods into Canada. Its manufacturing network includes five (5) manufacturing plants: one (1) located in Hamilton, Ontario; and four (4) located in Toronto, Ontario. For distribution and warehousing, Mondelēz Canada uses leased premises: one (1) in Brampton, Ontario; and one (1) in Hamilton, Ontario. Mondelēz Canada employs approximately 2,400 people in Canada.

## **STRUCTURE, ACTIVITIES, AND SUPPLY CHAINS**

### ***Our Supply Chain***

As outlined above, Mondelēz Canada is part of a group of entities operating under the management and leadership of Mondelēz International. Mondelēz International operates a global integrated supply chain model, and Mondelēz Canada sources its inputs from both related group companies, as well as third party suppliers. Across the globe, Mondelēz Canada has an extensive value chain with a large number of local, regional, and global suppliers. Its 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.

The goods imported into Canada, either directly or indirectly, include: baked goods, packaging, chocolate, food preparations, candies, cocoa, machinery, nuts, odiferous ingredients, wheat, palm oil, prepared nuts, organic chemicals, preparations of cereals, sugars, gums, salts, electronics, tools, and clothing. Mondelēz Canada imports from over 43 countries around the world. The source countries or regions representing the highest value of origin of each of the goods and services used at each stage of the supply chain are: United States, Mexico, Germany, Ireland, United Kingdom, Egypt, Switzerland, Ireland, Turkey, Italy, China, Netherlands, Austria, Australia, Spain, Indonesia, India, Malaysia, Peru, Poland, and Taiwan.

### ***Steps Taken by Mondelēz Canada in 2023***

To help prevent and reduce the potential risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere, or of goods imported into Canada, Mondelēz Canada took the following steps in 2023:

1. Mapping activities;
2. Mapping supply chain;
3. Conducting an internal assessment of risks of forced labour and/or child labour in the organization's activities and supply chains;
4. Contracting an external assessment of risks of forced labour and/or child labour in the organization's activities and supply chains;
5. Continuing our implementation of action plans for addressing risks of forced labour and/or child labour;
6. Gathering information on worker recruitment and maintaining internal controls to ensure that all workers are recruited voluntarily;
7. Addressing practices in the organization's activities and supply chains that could increase the risk of forced labour and/or child labour;
8. Continuing our implementation of due diligence policies and processes for identifying, addressing and prohibiting the use of forced labour and/or child labour in the organization's activities and supply chains;
9. Carrying out a prioritization exercise to focus due diligence efforts on the most severe risks of forced and child labour;
10. Developing and implementing anti-forced labour and/or child labour standards, codes of conduct and/or compliance checklists;
11. Auditing prioritized suppliers;

12. Monitoring prioritized suppliers;
13. Continuing our implementation of training and awareness materials on forced labour and/or child labour;
14. Engaging with supply chain partners on the issue of addressing risks of forced labour and/or child labour;  
and
15. Engaging with civil society groups, experts and other stakeholders on the issue of addressing risks of forced labour and/or child labour.

The above steps were addressed by Mondelēz Canada through the following measures:

- (a) Reviewed its policies and processes relating to procurement, supply chain, customs, facility management (i.e., security and maintenance), and talent acquisition.
- (b) Mondelēz Canada currently uses the "Mondelez International Supplier and Partner Code of Conduct" as part of its vendor contracting. This document outlines nine (9) principles to govern suppliers in operating in an ethical manner and includes specific provisions that the use of human trafficking, forced labour, or child labour will not be tolerated.
- (c) Included and continues to include the "Mondelez Corporate Responsibility Guidelines" in Master Agreements, which define the corporate social responsibility requirements, including human rights requirements for all Mondelēz International suppliers.
- (d) Mapped certain direct/indirect suppliers and engaged external experts to review its trade data to identify risk areas against those flagged by the International Labour Organization ("ILO") as potentially being subject to instances of child labour or forced labour.
- (e) Reviewed its policies and protocols for suppliers, including supplier codes of conduct, supplier agreements, monitoring, and corrective action planning processes.
- (f) Reviewed its legislative compliance, importation processes, classification of goods, and resolution processes for customs-related incidents.
- (g) Reviewed its policies and processes relating to its permanent and temporary workforce. This included a review of its subcontractor selection procedures; the processes for hiring, onboarding and training temporary and permanent workers; the policies that must be reviewed and signed by new workers; and the training that is currently provided.

Mondelēz Canada also relied on the steps taken by Mondelēz International in 2023, which included:

- (a) Continuing to implement and enhance procedures to track progress in addressing forced labour and/or child labour as detailed in the [Mondelez International Human Rights Due Diligence & Modern Slavery Report for 2022](#).
- (b) Addressing human rights risks through the signature cocoa sustainability sourcing program - [Cocoa Life](#). Mondelēz International introduced Cocoa Life in 2012 to secure supply of more sustainable cocoa and establish an integrated approach which strives to tackle the root causes of systemic issues in cocoa,

including farm productivity, farmer livelihoods, community development, and helping combat child labour and deforestation.

- (c) Helping prevent and combat the risk of child labour through the Mondelez International [Strategy to Help Protect Children](#). Mondelez International aims to collaborate with others to help work toward a cocoa sector that is free of child labour. Mondelez International focuses on activities that are broken down into three primary areas of response: (i) prevention efforts; (ii) monitoring and remediation; and (iii) systemic solutions.
- (d) Aiming to more sustainably source palm oil through the [Mondelez International Palm Oil Action Plan](#). This plan details actions to make more sustainable palm oil the mainstream option based on the principles that production should (i) be on legally held land; (ii) not lead to deforestation or loss of peat land; (iii) respect human rights, including land rights; and (v) not use forced labour or child labour.

For additional information on the details provided above and Mondelez International's global initiatives, please refer to the [Mondelez International Human Rights Due Diligence & Modern Slavery Report for 2022](#).

## **POLICIES AND DUE DILIGENCE PROCESSES**

Mondelez Canada has due diligence processes in relation to forced labour and/or child labour, including:

1. Embedding responsible business conduct into policies and management systems; and
2. Identifying and assessing adverse impacts in operations, supply chains, and business relationships.

### ***Mondelez Canada Policies and Processes***

Mondelez Canada is committed to helping address forced labour and child labour through its own policies and processes. In certain instances, Mondelez Canada's supplier contracts have included requirements relating to the prevention of forced labour and child labour, requirements for supplier compliance with forced labour and/or child labour laws, and requirement to adhere to Mondelez International's [Supply Chain Expectations](#).

In Mondelez Canada's operations, it uses Sedex's SMETA audit protocol to evaluate internal manufacturing sites and prioritized supplier<sup>1</sup> sites against a common set of corporate social responsibility standards developed for the consumer goods industry. In Mondelez Canada's plants, SMETA audits are performed by APSCA certified independent social compliance auditors from Bureau Veritas. For Mondelez Canada's prioritized supplier sites (covering ingredients, external manufacturing, and packaging) – which have been prioritized based on Sedex's Radar risk assessment tool – Mondelez Canada requires that suppliers use similarly APSCA certified auditors in line with Sedex's list of approved auditors. The audit requirements are based on the Ethical Trade Initiative (ETI) Base Code and cover risks that are relevant to the manufacturing sector, including child and forced labour, and recognize the vulnerability of migrant and temporary workers to such risks.

As an entity within a group of entities held by Mondelez International, Mondelez Canada has also implemented several of the Mondelez International policies, procedures, and initiatives relating to forced labour and child

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<sup>1</sup> Prioritized supplier sites are defined as Tier-1 Direct material supplier sites, and excludes suppliers that are not registered on Sedex, have not yet received a risk score or received a risk score other than High Risk, or have not yet made audit results available to Mondelez International.

labour in the global supply chain. This includes the Mondelez International [Human Rights Policy](#), [Corporate Responsibility Guidelines](#), and [Code of Conduct](#). These policies and guidelines set out Mondelez International's position against child labour and forced labour, as well as against discrimination, harassment, bullying, and intimidation. All suppliers and partners acting on Mondelez Canada's behalf and/or providing goods or services to Mondelez Canada for compensation are expected to adhere to (i) all applicable laws, regulations, and industry standards of the countries in which the goods are delivered or services are performed and/or will be used; (ii) Mondelez International's Code of Conduct; and (iii) Mondelez International's applicable Supplier/Co-Manufacturer Quality Expectations Manuals, including ingredient-specific requirements, HACCP Standards Manual, Supplier & Partner Code of Conduct, and all other supplier guidelines as outlined on Mondelez International's "Supplier Portal" (<https://www.mondelezinternational.com/procurement>).

Mondelez Canada remains committed to meeting its obligations under local employment, human rights, forced labour, and child labour legislation.

Mondelez Canada also relied on the human rights due diligence processes of Mondelez International in 2023, which included efforts to:

1. Cease, prevent or mitigate adverse impacts;
2. Track implementation and results;
3. Communicate how impacts are addressed; and
4. Provide for or cooperate in remediation when appropriate.

The above steps were addressed by Mondelez International through the following measures:

- (a) The issuance of questionnaires to certain suppliers. The questionnaires include the SEDEX requirements to help promote more responsible sourcing and so that these obligations are clear. Further, some suppliers were required to complete a self-assessment questionnaire as part of the SMETA audit process which covers human rights and other aspects of social responsibility. The questionnaire aims to evaluate suppliers' policies, procedures, and practices related to labour and human rights.
- (b) For Mondelez International's own operations and prioritized suppliers, Sedex's SMETA audit protocol was used to evaluate internal manufacturing sites and prioritized supplier<sup>2</sup> sites against a common set of corporate social responsibility standards developed for the consumer goods industry. In its plants, SMETA audits were performed by APSCA certified independent social compliance auditors from Bureau Veritas. For Mondelez International prioritized supplier sites (covering ingredients, external manufacturing and packaging), which were prioritized based on Sedex's Radar risk assessment tool, it is required that suppliers use similarly APSCA certified auditors, in line with Sedex's list of approved auditors. The audit requirements were based on the Ethical Trade Initiative (ETI) Base Code and cover risks that are relevant to the manufacturing sector, including child and forced labour, and recognize the vulnerability of migrant and temporary workers to such risks.

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<sup>2</sup> Prioritized supplier sites are defined as Tier-1 Direct material supplier sites, and exclude suppliers that are not registered on Sedex, have not yet received a risk score or received a risk score other than High Risk, or have not yet made audit results available to Mondelez International.

(c) The efforts of Mondelēz International’s Human Rights Working Group (the “**HRWG**”). The HRWG is a cross-functional team with members from the Impact, Human Resources, Compliance, Procurement, and Health & Safety functions. It defined and continues to define, Mondelēz International’s human rights due diligence strategy and drives its implementation to embed it throughout the organization’s operations and supply chains. The work of the HRWG flows down into each of the operating jurisdictions, including Canada. This work is embedded through capability building (e.g., training sessions) with People and Health and Safety teams.

For additional details on Mondelēz International’s HRWG and aforementioned activities, please refer to the [Mondelez International Human Rights Due Diligence & Modern Slavery Report for 2022](#).

### **FORCED LABOUR AND CHILD LABOUR RISKS**

Mondelēz Canada has identified potential forced labour and child labour risks in the following areas:

1. The types of products it produces, sells, distributes or imports;
2. The locations of its activities, operations or factories;
3. The types of products it sources;
4. The raw materials or commodities used in its supply chains;
5. Tier one (direct) suppliers; and
6. Third-party manufacturers.

Mondelēz Canada also relied on the risk identification processes of Mondelēz International, which in its 2022 [Human Rights Due Diligence and Modern Slavery Report](#) identified potential forced labour and child labour risks in the following areas:

1. The sector or industry it operates in;
2. Tier two suppliers;
3. Tier three suppliers;
4. Suppliers further down the supply chain than tier three;
5. The use of outsourced, contracted or subcontracted labour; and
6. The use of migrant labour.

The above risks identified by Mondelēz Canada were identified in the sectors and industries of: (i) Agriculture, forestry, fishing and hunting; (ii) Manufacturing; and (iii) Transportation and warehousing. Mondelēz Canada relies on third-party vendors to undertake due diligence and compliance with local laws on forced labour and child labour as it pertains to ingredients/materials used in the manufacturing of imported goods.

Mondelēz Canada’s business operations cover a range of areas from sales and marketing, administration, and manufacturing. Although its operations are located in Canada – which has not been flagged by ILO as being a high-risk jurisdiction – Mondelēz Canada acknowledges that instances of forced labour can occur in the use of temporary labour, contract labour, and in various services that support its primary operations, such as, cleaning, security, and facilities management.

Through a review and mapping of its data of goods imported into Canada (by country of origin) against those that have been flagged by the ILO as potentially being subject to instances of child labour or forced labour, Mondelēz Canada recognizes that certain goods have a higher risk of forced labour or child labour being present in the growing, extracting, or processing activities, including: cocoa preparations, electronics, garments, palm oil, oleochemicals, and sugarcane. Mondelēz Canada recognizes that certain countries identified in the Global Slavery Index have a higher risk of labour exploitation of vulnerable workers in both the manufacturing of the textile products as well as in the supply of materials.

Mondelēz Canada acknowledges that a large proportion of its suppliers operate in the cocoa, nuts, sugar (agriculture generally), logistics, and transport industries. These are sectors which have been linked in independent reports to risks of modern slavery.<sup>3</sup> Mondelēz Canada works with its international related suppliers in these areas to assess supply chain issues. As outlined in the [Mondelez International Human Rights Due Diligence & Modern Slavery Report for 2022](#), Mondelēz International undertakes an annual risk assessment that includes its own operations, tier 1 direct and indirect suppliers, and upstream (farm level) suppliers.

Mondelēz Canada sources uniforms and personal protective equipment from various suppliers. However, it acknowledges that a proportion of these products are manufactured offshore in certain countries identified in the Global Slavery Index as having a higher risk of labour exploitation of vulnerable workers in both the manufacturing of the textile products as well as in the supply of materials.

Mondelēz Canada strives to identify emerging risks of child labour and forced labour. Mondelēz International's [Integrity HelpLine](#) is made available to all Mondelēz Canada employees, contractors, subcontractors, suppliers, and other third parties to raise concerns and to better enable Mondelēz International to appropriately address potential forced labour or child labour impacts. Allegations related to forced labour or child labour are handled with utmost urgency by the Compliance team. Upon receiving notice of an allegation, the Compliance team are required to notify the People Lead at the Mondelēz Canada location so that a formal investigation can be conducted and reported up to the Management team.

For additional information on the details provided above and Mondelēz International's global initiatives, please refer to the [Snacking Made Right Report for 2023](#) the [Mondelez International Human Rights Due Diligence & Modern Slavery Report for 2022](#).

## **REMEDIATION MEASURES**

Mondelēz Canada has not taken any remediation measures. However, with respect to the cocoa supply chain, Mondelēz International's [Cocoa Life](#) program has taken a strategic approach focusing on three primary areas of response, which mirror UNICEF's [international child protection system strengthening standards](#):

1. Prevention Efforts – with a focus on helping to prevent child labour and support children at risk of child labour.
2. Monitoring and Remediation – with a focus on monitoring to help identify and remediate cases of child labour through the implementation of community-based Child Labour Monitoring & Remediation Systems.

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<sup>3</sup> See, for example, Verite, 'Strengthening Protections against Trafficking in Persons in Federal and Corporate Supply Chains'. Website: <https://verite.org/wp-content/uploads/2017/04/EO-and-Commodity-Reports-Combined-FINAL-2017.pdf>.

3. Helping Enable Systemic Solutions – with a focus on collaboration with others to strengthen the systems that help combat the underlying root causes of child labour.

For additional information on Mondelēz International’s prevention and remediation efforts, please refer to the Cocoa Life [online dashboard](#).

### **REMEDICATION OF LOSS OF INCOME**

To date, Mondelēz Canada has not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in its activities and supply chains.

### **TRAINING PROVIDED TO EMPLOYEES**

In 2023, Mondelēz Canada’s Preventing Forced Labour Module was completed by all middle level management employees and above. This module explains how team members can play an active role in identifying, preventing, and mitigating forced labour risks. In addition, Mondelēz Canada offers office-based employees and plant managers training on the Human Rights at Mondelēz Training Program in support of the organization’s Human Rights Policy. This training provides details on human rights, the different types of violations, the tools and policies in place to protect human rights at Mondelēz Canada, and what employees, contractors, subcontractors, and other third parties can do to identify and report suspected human rights violations in the organization or the supply chain through the Mondelēz International [Integrity HelpLine](#).

Since 2021, Mondelēz Canada has also provided training on Human Rights and Preventing Forced Labour to its management and corporate employees, with plans to roll out this training to core colleagues in 2024. For additional information, please refer to the [Mondelēz International Human Rights Due Diligence & Modern Slavery Report for 2022](#).

### **ASSESSING EFFECTIVENESS**

During the reporting period, Mondelēz Canada assessed its effectiveness in addressing potential forced labour and child labour risks in its activities and supply chains through the following methods:

1. Setting up a regular review of the organization’s policies and procedures related to forced labour and child labour;
2. Tracking relevant performance indicators, such as levels of employee awareness, numbers of cases reported and solved through grievance mechanisms, and numbers of contracts with anti-forced labour and child labour clauses; and
3. Partnering with external organizations to conduct independent reviews and/or audits.

In the course of preparing this annual report, Mondelēz Canada consulted with representatives of its local and regional Procurement, Human Resources, Legal and Corporate Affairs teams, Mondelēz International’s Global Impact and Social Sustainability team, and external subject matter experts. Through this process, Mondelēz Canada identified opportunities for continuous improvement.



Mondelēz Canada’s local Procurement Operations and Global Procurement teams have day-to-day accountability for responsible sourcing issues and human rights reporting and compliance requirements. The Mondelēz International Procurement team regularly consults with cross-functional experts representing Human Rights, Ethical Sourcing, Corporate Affairs, Environment and Safety, Human Resources, and Legal Affairs.

For additional information, please refer to the [Mondelez International Human Rights Due Diligence & Modern Slavery Report for 2022](#).

## **ESG GOALS AND FORWARD-LOOKING STATEMENTS**

This report contains forward-looking statements. All statements other than statements of historical fact are “forward-looking statements” for purposes of federal and state securities laws, including any statements of the plans, strategies and objectives of management; any statements regarding our environmental, social and governance and sustainability strategies, goals, policies, initiatives and programs; any statements concerning proposed new products, services or developments; any statements regarding future economic conditions or performance; any statements of belief or expectation; and any statements of assumptions underlying any of the foregoing or other future events. Forward-looking statements may include, among others, the words, and variations of words, “will,” “may,” “expect,” “would,” “could,” “might,” “intend,” “plan,” “believe,” “likely,” “estimate,” “anticipate,” “objective,” “predict,” “project,” “drive,” “seek,” “aim,” “target,” “potential,” “commitment,” “outlook,” “continue,” “strive,” “ambition” or any other similar words. Although we believe that the expectations reflected in any of our forward-looking statements are reasonable, actual results or outcomes could differ materially from those projected or assumed in any of our forward-looking statements. Our future financial condition and results of operations, as well as any forward-looking statements, are subject to change and to inherent risks and uncertainties, many of which are beyond our control. Please also see our risk factors, as they may be amended from time to time, set forth in our filings with the U.S. Securities and Exchange Commission (SEC), including our most recently filed Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q. There may be other factors not presently known to us or which we currently consider to be immaterial that could cause our actual results to differ materially from those projected in any forward-looking statements we make. We disclaim and do not undertake any obligation to update or revise any forward-looking statement in this report, except as required by applicable law or regulation. The information included in, and any issues identified as material for purposes of, this report may not be considered material for SEC reporting purposes. In the context of this disclosure, the term “material” is distinct from, and should not be confused with, such term as defined for SEC reporting purposes.

