UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

DIVISION OF
CORPORATION FINANCE

March 25, 2025

Lori Zyskowski
Gibson, Dunn & Crutcher LLP

Re: Mondelēz International, Inc. (the "Company")
Incoming letter dated January 14, 2025

Dear Lori Zyskowski:

This letter is in response to your correspondence concerning the shareholder proposal (the "Proposal") submitted to the Company by Domini Impact Equity Fund for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders.

The Proposal requests that the Company adopt a No Deforestation, No Peatland, No Exploitation (NDPE) policy across all the forest-risk commodities to ensure independently verified deforestation, conversion, and exploitation-free supply chains.

There appears to be some basis for your view that the Company may exclude the Proposal under Rule 14a-8(i)(7). In our view, the Proposal seeks to micromanage the Company. Accordingly, we will not recommend enforcement action to the Commission if the Company omits the Proposal from its proxy materials in reliance on Rule 14a-8(i)(7).

Copies of all of the correspondence on which this response is based will be made available on our website at https://www.sec.gov/corpfin/2024-2025-shareholder-proposals-no-action.

Sincerely,

Rule 14a-8 Review Team

cc: Mary Beth Gallagher
Domini Impact Investments LLC

GIBSON DUNN

Lori Zyskowski
Partner
T: +1 212.351.2309
LZyskowski@gibsondunn.com

January 14, 2025

VIA ONLINE PORTAL SUBMISSION

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: *Mondelēz International, Inc.*
Shareholder Proposal of Domini Impact Equity Fund
Securities Exchange Act of 1934—Rule 14a-8

Ladies and Gentlemen:

This letter is to inform you that our client, Mondelēz International, Inc. (the "Company"), intends to omit from its proxy statement and form of proxy for its 2025 Annual Meeting of Shareholders (collectively, the "2025 Proxy Materials") a shareholder proposal (the "Proposal") and statement in support thereof (the "Supporting Statement") submitted by Domini Impact Equity Fund (the "Proponent").

Pursuant to Rule 14a-8(j), we have:

- filed this letter with the Securities and Exchange Commission (the "Commission") no later than eighty (80) calendar days before the Company intends to file its definitive 2025 Proxy Materials with the Commission; and

- concurrently sent a copy of this correspondence to the Proponents.

Rule 14a-8(k) and Staff Legal Bulletin No. 14D (Nov. 7, 2008) ("SLB 14D") provide that shareholder proponents are required to send companies a copy of any correspondence that the proponent elects to submit to the Commission or the staff of the Division of Corporation Finance (the "Staff"). Accordingly, we are taking this opportunity to inform the Proponents that if the Proponents elect to submit additional correspondence to the Commission or the Staff with respect to the Proposal, a copy of that correspondence should be furnished concurrently to the undersigned on behalf of the Company pursuant to Rule 14a-8(k) and SLB 14D.

THE PROPOSAL

The Proposal states:

> RESOLVED: Shareholders request that Mondelez adopt a No Deforestation, No Peatland, No Exploitation (NDPE) policy across all the forest-risk commodities to ensure independently verified deforestation, conversion, and exploitation-free supply chains.

A copy of the Proposal and the Supporting Statement is attached to this letter as Exhibit A.

BASIS FOR EXCLUSION

We hereby respectfully request that the Staff concur in our view that the Proposal may be excluded from the 2025 Proxy Materials pursuant to Rule 14a-8(i)(7) because the Proposal deals with matters relating to the Company's ordinary business operations and seeks to micromanage the Company.

ANALYSIS

The Proposal May Be Excluded Under Rule 14a-8(i)(7) Because The Proposal Relates To The Company's Ordinary Business Operations And Seeks To Micromanage The Company

The Proposal requests that the company adopt a No Deforestation, No Peatland, No Exploitation ("NDPE") policy across certain "forest-risk" commodities used in the Company's supply chain, which commodities the Proposal identifies as cocoa, soy, palm oil, paper, beef, sugar, and dairy. As discussed below, the Proposal may be excluded under Rule 14a-8(i)(7) because it relates to the Company's ordinary business operations, namely, the Company's relationships with its suppliers, and does not focus on a significant policy issue that transcends the Company's ordinary business, and it seeks to micromanage the Company's operations.

A. Background.

Rule 14a-8(i)(7) permits a company to omit from its proxy materials a shareholder proposal that "deals with a matter relating to the company's ordinary business operations." According to the Commission's release accompanying the 1998 amendments to Rule 14a-8, the term "ordinary business" "refers to matters that are not necessarily 'ordinary' in the common meaning of the word," but instead the term "is rooted in the corporate law concept [of] providing management with flexibility in directing certain core matters involving the company's business and operations." Exchange Act Release No. 40018 (May 21, 1998) (the "1998 Release").

In the 1998 Release, the Commission stated that the underlying policy of the ordinary business exclusion is "to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting," and identified two central considerations that underlie this policy. The first of those considerations is that "[c]ertain tasks are so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight." *Id*. Examples of such tasks cited by the Commission include "decisions on production quality and quantity, and the *retention of suppliers*." *Id (emphasis added)*. The second consideration is related to "the degree to which the proposal seeks to 'micro-manage' the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment." *Id.* (citing Exchange Act Release No. 12999 (Nov. 22, 1976) (the "1976 Release")). The Proposal implicates both of these considerations.

B. The Proposal May Be Excluded Under Rule 14a-8(i)(7) Because It Relates To The Company's Supplier Relationships.

The Proposal requests the adoption of an NDPE policy across each of the "forest-risk commodities" used by the Company, which the Proposal identifies as cocoa, soy, palm oil, paper, beef, sugar, and dairy, "to ensure independently verified deforestation, conversion, and exploitation-free supply chains." The Company does not manufacture or produce any of the commodities identified by the Proposal, and some of the commodities, such as beef, are not relevant to the Company. Rather, the Company sources each relevant commodity from various suppliers. Accordingly, the Company's adoption of the NDPE Policy requested by the Proposal would (1) restrict the pool of future suppliers the Company may retain and (2) influence and restrict the manner in which the Company monitors and develops requirements related to the conduct of its suppliers, including supplier product quality and sourcing of materials. By seeking to interpose directly in the Company's decision-making regarding the Company's retention and monitoring of suppliers, the Proposal implicates the Company's ordinary business operations and may be excluded pursuant to Rule 14a-8(i)(7).

In the 1998 Release, the Commission specifically cited "the retention of suppliers" as an example of a task that is so fundamental to management's ability to run a company on a day-to-day basis that it could not, as a practical matter, be subject to direct shareholder oversight. Subsequently, the Staff has concurred with the exclusion under Rule 14a-8(i)(7) of proposals relating to or affecting a company's supplier or vendor relationships. For example, in *Duke Energy Corp.* (avail. Jan. 24, 2011), the Staff concurred with the exclusion of a proposal requesting that the company "strive to purchase a very high percentage" of "Made in USA" goods and services on the grounds that it related to "decisions relating to supplier relationships." *See also PG&E Corp.* (avail. Mar. 7, 2016) (concurring with the exclusion of a proposal requesting that the board institute a policy banning discrimination based on race, religion, donations, gender, or sexual orientation in hiring vendor contracts or customer relations, as relating to the company's ordinary business operations).

Additionally, in numerous instances, the Staff has concurred with the exclusion of proposals under Rule 14a-8(i)(7) because they concerned decisions relating to monitoring supplier or vendor relationships. For example, in *Foot Locker, Inc.* (avail. Mar. 3, 2017), the Staff concurred with the exclusion of a proposal seeking a report on steps taken by the company to monitor overseas apparel suppliers' use of subcontractors as relating "broadly to the manner in which the company monitors the conduct of its suppliers and their subcontractors." And in *Kraft Foods Inc.* (avail. Feb. 23, 2012), the Staff concurred with the exclusion of a proposal under Rule 14a-8(i)(7) that sought a report detailing the ways the company "is assessing water risk to its agricultural supply chain and action it intends to take to mitigate the impact on long-term shareholder value," noting that the "proposal relates to decisions relating to supplier relationships. Proposals concerning decisions relating to supplier relationships are generally excludable under rule 14a-8(i)(7)." *See also Corrections Corp. of America* (avail. Feb. 28, 2014, *recon. denied* Mar. 25, 2014) (concurring with the exclusion of a proposal requesting the board adopt and implement provisions "relate[d] to inmate telephone service contracts at correctional and detention facilities operated by the business" on grounds that it "relates to decisions relating to supplier relationships"); *The GEO Group, Inc.* (avail. Feb. 24, 2014, *recon. denied* Mar. 25, 2014) (same); *PetSmart, Inc.* (avail. Mar. 24, 2011) (concurring with the exclusion of a proposal regarding the compliance of the company's suppliers with certain animal rights statutes as relating to the company's ordinary business operations).

As with the proposals at issue in *Duke Energy*, *Foot Locker*, *Kraft Foods,* and the other precedents cited above, the Proposal directly relates to the Company's ordinary business operations of retaining and managing its relationships with suppliers, which is a core function of the Company's management. The Company is one of the largest snack food producers in the world, sells food and beverage products in over 150 countries,[1] and maintains relationships with thousands of suppliers located all around the world. Through the Company's Snacking Made Right[2] initiative, the Company already devotes significant resources towards promoting the sustainable production of key ingredients used throughout its supply chains—including certain "forest-risk commodities" identified by the Supporting Statement like cocoa, palm oil, and dairy.[3] Deciding which factors to consider in retaining certain supplier relationships and determining how best to manage these relationships, including in relation to the Company's sustainable production goals, is one of management's most fundamental day-to-day responsibilities. Monitoring the quality and sourcing of ingredients used to produce the Company's snack food products, and developing certain requirements that the Company's suppliers must follow, is not something that can, as a practical matter, be subject to direct shareholder oversight. Moreover, the approach taken with suppliers of one commodity will often be different from the approach taken with suppliers of a different commodity. There is no one-size-fits-all approach. The

[1] *See* https://www.mondelezinternational.com/about-us/.

[2] *See* https://www.mondelezinternational.com/snacking-made-right/.

[3] *See* https://www.mondelezinternational.com/snacking-made-right/sustainable-ingredients/.

number, variety, and complexity of issues related to retaining and managing supplier relationships demand the expertise of the Company's management. Because the Proposal requests the adoption of a policy that would govern the Company's retention and management of supplier relationships "across all the forest-risk commodities" in the Company's supply chains, the Proposal improperly seeks to interpose in the Company's ordinary business operations, specifically, in decisions relating to the Company's supplier relationships. Consequently, as in the precedents cited above, the Proposal may be excluded pursuant to Rule 14a-8(i)(7).

C. The Proposal Does Not Focus On A Significant Social Policy Issue That Transcends The Company's Ordinary Business Operations.

The well-established precedents set forth above demonstrate that the Proposal squarely addresses ordinary business matters, specifically decisions relating to the Company's supplier relationships, and therefore is excludable under Rule 14a-8(i)(7). In the 1998 Release, the Commission reaffirmed the standards for when proposals are excludable under the "ordinary business" provision that the Commission initially articulated in the 1976 Release. In the 1998 Release, the Commission also distinguished proposals pertaining to ordinary business matters that are excludable under Rule 14a-8(i)(7) from those that "focus on" significant social policy issues. The Commission stated, "proposals relating to [ordinary business] matters but focusing on sufficiently significant social policy issues (e.g., significant discrimination matters) generally would not be considered to be excludable, because the proposals would transcend the day-to-day business matters and raise policy issues so significant that it would be appropriate for a shareholder vote." 1998 Release. When assessing proposals under Rule 14a-8(i)(7), the Staff considers the terms of the resolution and its supporting statement as a whole. *See* Staff Legal Bulletin No. 14C, part D.2 (June 28, 2005) ("In determining whether the focus of these proposals is a significant social policy issue, we consider both the proposal and the supporting statement as a whole.").

The Staff most recently discussed its interpretation of how it will evaluate whether a proposal "transcends the day-to-day business matters" of a company in Staff Legal Bulletin No. 14L (Nov. 3, 2021) ("SLB 14L"), noting that it is "realign[ing]" its approach to determining whether a proposal relates to ordinary business with the standards the Commission initially articulated in 1976 and reaffirmed in the 1998 Release. In addition, the Staff stated that it will "no longer tak[e] a company-specific approach to evaluating the significance of a policy issue under Rule 14a-8(i)(7)" but rather will consider only "whether the proposal raises issues with a broad societal impact, such that they transcend the ordinary business of the company." The Staff also stated that under its new approach proposals "previously viewed as excludable because they did not appear to raise a policy issue of significance for the company may no longer be viewed as excludable under Rule 14a-8(i)(7)."

Proposals that make passing reference to, or touch upon, topics that might raise significant social policy issues—but that do not *focus on* or otherwise have only tangential implications for such issues—are not transformed from an otherwise ordinary business proposal into one that transcends ordinary business, and as such, remain excludable under Rule 14a-8(i)(7). For

example, in *The Coca-Cola Co.* (avail. Mar. 6, 2024), the company received a proposal requesting that it "adopt an enterprise-wide policy to move toward more healthy products." Though undoubtedly referencing or touching upon the social policy issues of public health and health-related issues, the company argued that this fact "d[id] not alter the fundamentally ordinary business focus of the [p]roposal," which the company described as "seek[ing] to address policy about the [c]ompany's product strategy." The Staff concurred with the proposal's exclusion, noting it related to the company's "ordinary business matters." Similarly, in *Walmart Inc.* (avail. Apr. 8, 2019), the Staff concurred with the exclusion of a proposal requesting a report evaluating the risk of discrimination that may result from the company's policies and practices for hourly workers taking absences from work for personal or family illness because it related "generally to the [c]ompany's management of its workforce, and [did] not focus on an issue that transcends ordinary business matters." *See also Apple Inc.* (*D. Rahardja*) (avail. Jan. 3, 2023) (concurring with the exclusion of a proposal requesting a report assessing "the effects of [the company's] return-to-office policy on employee retention and [the company's] competitiveness," noting it "relate[d] to, and [did] not transcend, ordinary business matters"); *Amazon.com, Inc.* (*AFL-CIO Reserve Fund*) (avail. Apr. 8, 2022) (concurring with the exclusion of a proposal requesting a report on the company's workforce turnover rates and labor market changes resulting from the COVID-19 pandemic noting that "the [p]roposal . . . does not focus on significant social policy issues"); *Amazon.com, Inc.* (*McRitchie*) (avail. Apr. 8, 2022) (concurring with the exclusion of a proposal requesting an annual report on the distribution of stock-based incentives throughout the workforce despite referring to wealth inequality in the United States as a significant policy issue); *Intel Corp.* (avail. Mar. 18, 2022) (concurring with the exclusion of a proposal requesting a report "on whether, and/or to what extent, the public display of the pride flag has impacted . . . employee's [sic] view of the company as a desirable place to work," stating it "relate[d] to, and [did] not transcend, ordinary business matters"); *PetSmart, Inc.* (avail. Mar. 24, 2011) (concurring with the exclusion of a proposal requesting that the board require the company's suppliers to certify that they had not violated "the Animal Welfare Act, the Lacey Act, or any state law equivalents" where the Staff stated that, "[a]lthough the humane treatment of animals is a significant policy issue, we note your view that the scope of the laws covered by the proposal is 'fairly broad in nature from serious violations such as animal abuse to violations of administrative matters such as record keeping'"); *Dominion Resources, Inc.* (avail. Feb. 3, 2011) (concurring with the exclusion of a proposal requesting the company to promote "stewardship of the environment" that touched upon environmental matters—such as renewable energy—with the Staff noting that the proposal related to "the products and services offered for sale by the company").

Like the proposals described in the precedent above, the Proposal does not focus on a significant social policy issue that has a broad societal impact, such as environmental protection, but instead focuses narrowly on the Company's supply chain by seeking to impose its own restrictive terms on both the Company's commodity purchasing options and the Company's supplier relationships. This focus is made all the more apparent by the criticisms levied in the Supporting Statement against a single Company palm oil supplier and the Proponent's concern that certain of the Company's deforestation positions, such as the Company's Palm Oil Action Plan, "cover only some of [the Company's] forest-risk commodities

(palm oil, cocoa, soy, paper) [and] may not apply to indirect suppliers." The environmental, climate, human rights, child labor, and reputational risk aspects of the Proposal are, at best, secondary to the Proposal's central objective regarding the Company's purchase of particular commodity ingredients from particular suppliers and the policies that should govern the Company's relationships with such suppliers. Decisions regarding the various requirements that suppliers must follow with respect to the sustainable sourcing of their products do not transcend the Company's day-to-day operations. By referring to the "legal, operational, and reputational risks" to the Company, the Proposal attempts to suggest that the manner in which the Company is currently managing its supplier relationships implicates significant social policy issues. Notwithstanding these assertions, the Proposal itself is squarely focused on the Company's ability to purchase particular commodity ingredients from, and manage relations with, particular suppliers.

D. The Proposal Is Excludable Because It Seeks To Micromanage The Company By Directing Decisions And Actions Directly Concerning Supplier Relationships.

As explained above, the Commission stated in the 1998 Release that one of the considerations underlying the ordinary business exclusion is "the degree to which the proposal seeks to 'micro-manage' the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment." The 1998 Release further states that micromanagement "may come into play in a number of circumstances, such as where the proposal involves intricate detail, or seeks to impose specific . . . methods for implementing complex policies." In SLB 14L, the Staff clarified that not all "proposals seeking detail or seeking to promote timeframes" constitute micromanagement, and that going forward the Staff "will focus on the level of granularity sought in the proposal and whether and to what extent it inappropriately limits discretion of the board or management." To that end, the Staff stated that this "approach is consistent with the Commission's views on the ordinary business exclusion, *which is designed to preserve management's discretion on ordinary business matters* but not prevent shareholders from providing *high-level direction* on large strategic corporate matters." SLB 14L (emphasis added).

In assessing whether a proposal seeks to micromanage a company's ordinary business operations, the Staff evaluates not just the wording of the proposal but also the action called for by the proposal and the manner in which the action called for under a proposal would affect a company's activities and management discretion. *See Deere & Co.* (avail. Jan. 3, 2022) and *Coca-Cola Co.* (avail. Feb. 16, 2022), each of which involved a broadly phrased request but required detailed and intrusive actions to implement. Moreover, "granularity" is only one factor evaluated by the Staff.

The Proposal is more than a request for a report, as it requests that the Company adopt a NDPE *policy.* Thus, it ultimately seeks to micromanage the Company by directing decisions and actions that involve a host of complex matters relating to the Company's selection of suppliers around the world and the relationships with those suppliers. The Staff has recently concurred with the exclusion of proposals seeking to micromanage company decisions

regarding supplier relationships. In *The Home Depot, Inc.* (avail. Mar. 21, 2024), the company received a proposal requesting the issuance of a report assessing the benefits and drawbacks of permanently committing not to sell paint containing titanium dioxide sourced from the Okefenokee Swamp. The company argued that although phrased as a request for a report, the proposal was seeking a commitment from the company to avoid sourcing titanium dioxide from the Okefenokee and sought to micromanage the company by directing decisions and actions involving a host of complex matters, including the company's selection of suppliers and relationships with those suppliers. The Staff concurred with the exclusion of the proposal under Rule 14a-8(i)(7), noting that the proposal sought "to micromanage the [c]ompany." Similarly, in *The Kroger Co.* (avail. Apr. 25, 2023), the Staff concurred with the exclusion under the micromanagement prong of Rule 14a-8(i)(7) of a proposal requesting that "the Board take the necessary steps to pilot participation in the Fair Food Program for the Company's tomato purchases in the Southeast United States, in order mitigate [*sic*] severe risks of forced labor and other human rights violations in Kroger's produce supply chain." In its no-action request, the company argued that the "selection of suppliers and management of supplier relationships are complicated matters that are integrally entwined with its ordinary business operations and fundamental to management's ability to run the Company's operations on a day-to-day basis" and that the proposal sought to "micro-manage the Company by substituting the shareholder's decisions regarding the Company's supply chain for management's practices, a decision upon which the shareholders, as a group, are not in a position to make an informed judgment." The Staff concurred in the proposal's exclusion, noting that the proposal sought "to micromanage the [c]ompany."

As in *Home Depot* and *Kroger*, the Proposal micro-manages the Company's fundamental day-to-day decisions and policies and procedures related to its suppliers. The Proposal intends for shareholders to step into the shoes of management and does not afford management sufficient flexibility or discretion to address and implement business decisions on a complex matter. As explained above, the Company shares the Proposal's goal of promoting sustainable production methods in its supply chains; indeed, the Company already devotes significant resources toward effecting that policy—including for some of the same commodity ingredients identified by the Proposal like cocoa, palm oil, and dairy. The Company's selection of suppliers and management of its supplier relationships implicate complicated matters that fall squarely within the Company's ordinary business operations and upon which shareholders, as a group, are not in a position to pass informed judgment. The Company's relationships with its suppliers are based on the day-to-day business experience and the well-developed knowledge of the Company's management with respect to a variety of factors. The Proposal overrides the Company's judgment regarding how to best promote the sustainable production of key ingredients used throughout the Company's supply chains and, by requesting the adoption of a restrictive policy, the Proposal would effectively bind the Company's management and deprive them of the necessary flexibility and discretion needed to address and implement business decisions on such a complex matter.

For these reasons, we believe that the Proposal seeks to micromanage the Company by probing too deeply into matters upon which shareholders as a group would not be in a position

to make an informed judgement and that the Proposal may accordingly be omitted pursuant to Rule 14a-8(i)(7).

CONCLUSION

Based upon the foregoing analysis, the Company intends to exclude the Proposal from its 2025 Proxy Materials, and we respectfully request that the Staff concur that the Proposal may be excluded under Rule 14a-8.

We would be happy to provide you with any additional information and answer any questions that you may have regarding this subject. Correspondence regarding this letter should be sent to shareholderproposals@gibsondunn.com. If we can be of any further assistance in this matter, please do not hesitate to call me at (212) 351-2309.

Sincerely,

Lori Zyskowski

Enclosures

cc: Issa Yesufu, Mondelēz International, Inc.
Mary Beth Gallagher, Domini Impact Investments LLC

EXHIBIT A

Domini.

December 5, 2024

Laura Stein
Corporate Secretary
Mondelēz International, Inc.,
905 West Fulton Market, Suite 200
Chicago, Illinois 60607

Via email: [redacted]

Re: Shareholder proposal for 2025 Annual Shareholder Meeting

Dear Corporate Secretary:

I am writing to you on behalf of the Domini Impact Equity Fund ("the Fund"), a Mondelēz International, Inc., shareholder. The attached shareholder proposal is submitted for inclusion in the next proxy statement in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934. The Fund is the lead filer for the Proposal.

As of December 5, 2024, the Fund beneficially owned, and had beneficially owned continuously for at least one year, shares of Mondelēz International, Inc., common stock worth at least $25,000. The Fund will maintain ownership of the required number of shares through the date of the next stockholders' annual meeting. A letter verifying our ownership of shares from our portfolio's custodian is enclosed.

A representative of the filer will attend the stockholders' meeting to move the resolution as required by SEC Rules. The Fund welcomes the opportunity to discuss this proposal with the Company. We are available to meet with the Company on December 17th at 10:00 or 2:00 ET, December 19th at 1:00 – 4:00 ET, December 20th 11:00 – 1:00 ET, or December 23rd at 12:00 ET. I can be reached at [redacted], or at [redacted] to schedule a meeting.

We strongly believe the attached proposal is in the best interests of the company and look forward to constructive engagement.

Domini

Sincerely,

Director of Engagement

Domini Impact Investments LLC

Encl.

Forest loss and degradation is responsible for 11% of annual global greenhouse gas (GHG) emissions and poses systemic risks, including deforestation-driven climate change and biodiversity loss, and human rights impacts.

Mondelez International uses cocoa, soy, palm oil, paper, beef, sugar, and dairy in its products and packaging. These commodities are leading drivers of deforestation and native vegetation conversion (NVC) globally, which undermines ecosystem benefits critical to agriculture, including soil protection, pollination, habitat preservation, and precipitation patterns. For example, Mondelez has been linked to the destruction of Indonesia's rich Leuser Ecosystem, a biodiverse reserve home to orangutans.[1]

A Mondelez palm oil supplier, Astra Agro Lestari, has been accused of land rights violations in Indonesia and failure to secure Free Prior and Informed Consent (FPIC) of Indigenous Peoples and local communities, as well as harassment and criminalization of human rights defenders, and corruption.[2] These practices can be endemic in forest-risk supply chains, making effective policy commitments and accountability of suppliers necessary to uphold human rights responsibilities and reduce risks. Mondelez has a Human Rights Policy, but it has significant gaps. Specifically, it does not include a commitment to respect the right to FPIC, the rights of human rights defenders, or include zero tolerance for violence and intimidation, unlike peers Mars, Nestle, PepsiCo, and Unilever, which have such policies.

Mondelez does not have an explicit overarching policy stating its commitment to zero deforestation, degradation, or exploitation for all forest-risk commodities, unlike peers Ferrero, Mars, Nestle, and Unilever.[3] Mondelez has a Palm Oil Action Plan and has made a statement that its goal is "to seek no deforestation across our primary commodities", starting in Europe in 2024 and later in other regions. However, these efforts cover only some of its forest-risk commodities (palm oil, cocoa, soy, paper), may not apply to indirect suppliers, and heavily rely on certifications and collaborations for implementation, which are inadequate for achieving zero deforestation.[4]

Illegal deforestation presents legal, operational, and reputational risks to Mondelez, and compromises its ability to meet its net zero climate targets. In addition to the reputational risks associated with land grabs by suppliers, failure to address child labor and demonstrate effective implementation of sustainability commitments has exposed the company to legal risks from misleading customers.[5]

RESOLVED: Shareholders request that Mondelez adopt a No Deforestation, No Peatland, No Exploitation (NDPE) policy across all the forest-risk commodities to ensure independently verified deforestation, conversion, and exploitation-free supply chains.

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[1] https://news.mongabay.com/2024/03/palm-oil-deforestation-persists-in-indonesias-leuser-amid-new-mills-plantations/

[2] https://www.mondelezinternational.com/assets/Snacking-Made-Right/ESG-Topics/Palm-Oil/MDLZ-Palm-Oil-Mill-List.pdf; https://www.fidh.org/en/region/asia/indonesia/indonesia-criminalisation-human-rights-land-grabbing; https://foe.org/wp-content/uploads/2024/06/AAL_CultivatingConflict_Eng_final.pdf

[3] https://forest500.org/rankings/company/?coname=Mondelez%20International%20Inc&ayear=2023&cotype=CO; https://www.ran.org/wp-content/uploads/2023/11/KFS_Scorecard_2023.pdf

[4] https://www.ran.org/press-releases/mondelez-internationals-deforestation-policy-under-scrutiny-for-inadequacy/

[5] https://www.bakeryandsnacks.com/Article/2024/09/05/Mondelez-lawsuit-and-authentic-sustainability-claims/; https://www.classaction.org/news/mondelez-knows-production-processes-rely-on-cocoa-farmers-using-child-labor-lawsuit-alleges#embedded-document; https://www.classaction.org/media/gollogly-v-mondelez-international-inc.pdf; https://www.internationalrightsadvocates.org/cases/ghana?ref=thechocolatelife.com

SUPPORTING STATEMENT: In support of this goal, proponents recommend that the Company:

- Enhance its human rights policy to include an FPIC commitment and zero tolerance for land grabs or violence, intimidation, or attacks on human rights defenders;
- Consider guidance such as the Accountability Framework Initiative (Afi) and practices for monitoring and verification, such as third-party monitoring and time-bound supplier non-compliance protocols and;
- Increase traceability and supply chain transparency including direct and indirect suppliers of all forest-risk commodities.