

Mondelēz East Suzhou plant

1. Company, Plant/Factory Profile

Mondelēz International, Inc. (NASDAQ: MDLZ) empowers people to snack right in over 150 countries around the world. With 2022 net revenues of approximately \$31 billion, Mondelēz International is leading the future of snacking with iconic global and local brands such as Oreo, belVita, LU, Clif Bar, Tate's Bake Shop and other baked snacks; Cadbury Dairy Milk, Milka and Toblerone chocolate. Mondelēz International is a proud member of the Standard and Poor's 500, Nasdaq 100, and Dow Jones Sustainability Index.

We have operations in more than 80 countries and employ around 80,000 in our factories, offices, research & development facilities and distribution activities around the world.



At Mondelēz International, our purpose is to empower people to snack right. We will lead the future of snacking around the world by offering the right snack, for the right moment, made the right way. That means delivering a broader range of delicious, high-quality snacks that nourish life's moments, made with sustainable ingredients and packaging that consumers can feel good about.

Our consumers are the reason we want to be the best snacking company in the world and why we put them at the heart of everything we do. With our consumers in mind, we're focused on accelerating growth by investing in both our global and local heritage brands. We are implementing innovative ideas and tactics at all levels, driving growth in new channels, and building new and existing partnerships that best serve our consumers.

We're focused on continuously improving everything we do - from building a world-class supply chain to achieving marketing and sales excellence. A key component to our operational performance is our digital transformation. This approach, made possible by our vast capabilities and diverse culture, helps identify and enable additional growth opportunities.

Mondelēz International entered the China market in 1984. Headquartered in Shanghai, **Mondelēz Greater China** is a leading company in the snacks business, including biscuits, Chocolate, candy & gum, and beverages. With over 4,000 employees, Mondelēz has established manufacturing plants in East, South and North China as well as a Global Biscuit R&D Technical Center in Suzhou. The Chinese name Yi Zi (亿滋) represents the company's vision to bring an abundance of deliciousness to consumers. We empower our local teams to innovate and deliver consumers' snacking needs while continuing to leverage opportunity on a larger scale to most efficiently support our growth strategy. Mondelēz International is committed to investing in a diverse and talented workforce that helps our business move forward with greater speed and agility.

2. Mondelez East Suzhou plant

Mondelēz East Suzhou plant was built in 2004, now have total 5 biscuit manufacturing lines producing Oreo, Chips Ahoy! And some local brand biscuits, total 143 sku. East Suzhou plant has average 70000 tons volume per year, contribute over 30% of China biscuit business.

Most of our production lines operate in daily changeover schedules, to lower the DBNR (Days Between Next Run) and support business to reduce working capital (Inventory). Even Under this complicated situation, we still keep GE at about 89%, that is very difficult, also it's the best in class.



3. Our way of driving Supply Chain operational excellence

Mondelēz Supply Chain ambition of "The Quest to be the Best" calls for an unrelenting pursuit of excellence in all we do. In Manufacturing, the strategy of implementing **Integrated Lean 6 Sigma** is the key enabler for delivering benchmark manufacturing results ensuring the company a competitive advantage in every territory and category in which we compete.

Integrated Lean 6 Sigma IL6S is Mondelēz International organization capability strategy and operational excellence program.

It is based on a combination of well known and proven methodologies: Lean 6 Sigma,

Total Productive Maintenance (TPM) and High Performance Organization.
 The objective is to improve the Plant to World Class level by eliminating all Losses.
 This can only be done by developing everybody at their maximum potential.

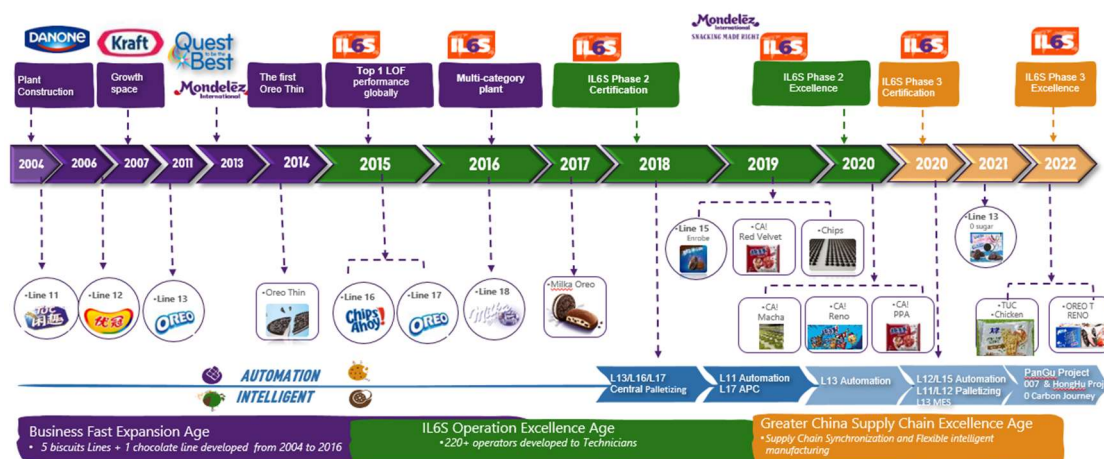


Mondelēz East Suzhou plant start the IL6S(Integrated Lean 6 Sigma) journey in 2015, with 0 loss mindset and 100% participant to keep driving operational excellence.

East Suzhou plant finished Autonomous Management 4 at all lines at 2018, and now has entering into phase 4 stage, which is also the leading IL6S stage at Mondelēz global, there are only 4 sites among all Mondelēz plants in global including East Suzhou plant, and for another 3 plants, 2 of them have also get JIPM award before (West Suzhou has won Award for TPM Excellence, Category A at 2018, Curitiba plant has won Award for Excellence in Consistent TPM Commitment).

With the progressing in each pillar, East Suzhou plant has delivered consistently high performance in Safety, Quality, Cost, Delivery, Moral and Sustainability, contribute 2 Million usd savings per year through productivity projects and Kaizens initiated by core team.

In the future, East Suzhou will keep enhancing the operational excellence on the shopfloor, keep build capability of the core team as well as the kaizen culture, leading the most competitive plant at Mondelēz global!



4. Benefits Achieved

TPM implementation at East Suzhou plant has enabled plant to keep consistent competitive cost as well as other operational performance, the people and organization also keep growing together with the company and business, below are some tangible results listed.

Category	Index (Calculation Formula)	Unit	Kick off/TPM Started (or last time awarded)	Actual Status 2022
S	Number of work-related accidents requiring days off work	Cases/ year	1	0
S	Number of work-related accidents not requiring days off work	Cases/ year	10	3
P	Productivity for main products	Parts/Operator hours	53	110
P	OEE (or Overall Plant Efficiency)	%	98%	99%
P	Availability	%	81%	88%
P	Performance Rate	%	95%	100%
P	Quality Products Rate	%	1%	0%
P	Number of breakdowns	Breakdowns/ year	105	13
P	MTBF	Hour	0.3	1.9
P	MTTR	Hour	2.3	1.2
Q	Number of customer complaints	Number/year	369	334
Q	In-line defect rate, scrap	%	0.0077	0.0054
Q	In-line defect rate, scrap and rework	%	0.0143	0.0111
C	Cost index	Cost/Unit Cost/Kilogram	10.89	13.89
D	Production Lead time	Days	11.3	6.6
D	Delivery performance	%	0.973	0.979
S	Safety index	Accidents per 1,000,000 operator hours	0	0
M	Number of Employee Suggestions	Number/year	4200	5832