

## **Palm Oil – Our Position**

Mondelez International is committed to sourcing palm oil sustainably and eradicating deforestation and human rights violations in the palm oil supply. We take this responsibility seriously.

### *Delivering a Sustainably Sourced Palm Oil Supply*

For years, we have actively worked with our global suppliers to ensure that the palm oil we use in our products is sustainably sourced and fully traceable. In fact, we were the first multinational consumer goods company to require suppliers to track all the oil they sell, not just the oil they sell to us.

In 2014, we published our Palm Oil Action Plan, a long-term roadmap to achieve a sustainable palm oil supply, which we launched after achieving our milestone of 100% Roundtable on Sustainable Palm Oil (RSPO) Palm coverage in 2013. The Palm Oil Action Plan defines our position and principles for palm oil sustainability, focusing on supplier expectations, government and sector engagement in key origins and global industry advocacy toward sector transformation.

By the end of 2017, 96 percent of the palm oil sourced by our company was traceable to the mill, and 99 percent was purchased from suppliers with published policies that are aligned with best practice sustainable principles. Building on this progress, we updated our Palm Oil Action Plan in 2016 to include several new key provisions that require our suppliers to:

- Map and assess the risk for all supplying mills on Global Forest Watch
- Provide assurance that no deforestation occurs on their own concessions and exclude third-party suppliers who do not immediately cease deforestation
- Work with recognized third-party experts to protect labor rights

The Mondelez International Palm Oil Action Plan details actions to achieve our goals to make sustainable palm oil the mainstream option, based on the principles that production should be on legally held land; not lead to deforestation or loss of peat land; respect human rights, including land rights; and not use forced or child labor.

### *Advocating for Change across the Industry*

While Mondelez International accounts for only about 0.5 percent of palm oil consumption globally, we have played – and continue to play – a leadership role in global industry advocacy toward sector transformation.

To date, we have partnered and engaged with several of the leading global organizations focused on improving the palm oil supply chain.

- We are co-chair of the Consumer Goods Forum's (CGF) Palm Oil Task Force to drive the industry's improvements to palm oil sourcing
- We sat on the board of the Roundtable for Sustainable Palm Oil (RSPO) from 2014-18 because we believe, despite its limitations, RSPO can be part of the solution.
- We have supported the United Nations Development Program (UNDP), the Government of Indonesia, and others to develop a National Action Plan for palm oil
- We are supporting the development of the Coalition for Sustainable Livelihoods, a group of civil society, private sector, and government organizations working collectively to strengthen smallholder livelihoods, improve agriculture and conserve forests in North Sumatra and Aceh, Indonesia

We continue to maintain our engagement with these and other stakeholders in the palm oil sector to ensure we learn and contribute toward our common goal of achieving palm oil sustainability. Our work with these organizations is based on our view that the complex challenge of producing sustainable palm oil can only be solved through collaboration with all actors in the palm oil supply chain, from growers to suppliers and buyers, as well as local and national government and non-governmental organizations.

#### *Driving progress and advancing our commitment*

Mondelēz International continues to work toward our goal of achieving 100 percent sustainability and 100 percent transparency across the industry.

We are proud of what we have achieved as part of our commitment to sourcing palm oil sustainably and eradicating deforestation in the palm oil supply. We target 100 percent palm oil traceable to the mill and we are at 96 percent as of 2017. We target 100 percent palm oil sourced from suppliers aligned with our sustainability policies and we are at 99 percent as of the end of 2017.

Most recently, we called for our suppliers to act faster to eliminate deforestation and to map and monitor all palm oil plantations and concessions. Specifically, we have asked our suppliers to commit to palm oil concession mapping as a vital step to accountability and change. We also announced our decision to exclude 12 upstream suppliers that were found to be involved in deforestation, because we believe urgent action is needed across the entire supply chain to protect the Earth's forests and deliver benefits to countries that produce palm oil.

We remain committed to achieving complete sustainability and transparency across our supply chain and the industry at large, and will continue to provide regular updates on our progress.

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