



## 2018 PROGRESS UPDATE: PALM OIL ACTION PLAN

- **Challenged palm oil suppliers to act faster to eliminate deforestation**
- **Called for suppliers to map and monitor all palm oil plantations and concessions**
- **Excluded 12 upstream suppliers from supply chain as a result of breaches**

Since we first launched our Palm Oil Action Plan in 2014, we have continuously raised the bar for ourselves and our suppliers and there has been substantial progress towards our goal of 100% sustainability and 100% transparency across the industry.

For example, suppliers have progressively implemented sustainability policies and improved traceability. By the end of 2017, 96% of the palm oil we sourced was traceable back to the mill, and 99% was from suppliers with policies aligned to ours.

Despite these industry leading levels of traceability, there is more the industry needs to do in the palm oil supply chain to prevent deforestation and there remains a gap between the current state and our goal of 100% sustainability and 100% transparency.

Urgent action is needed across the entire supply chain to improve performance and deliver benefits to people, eco-systems and the economies in producing countries. During 2018, we have amplified our call for suppliers of palm oil and the entire sector to be sustainable and transparent in the production of palm oil since 2010 in two ways:

1. **Commit to palm oil concession mapping** as a vital step to accountability and change. Concession mapping enables Mondelēz International and its suppliers to identify and focus on areas of highest risk for deforestation. Unfortunately, publication of concession maps is not progressing fast enough. In 2016, Mondelēz International asked our suppliers to map all the mills they buy from on Global Forest Watch, as well as their own concessions, and engage their upstream suppliers to publish concession maps on GFW. Although strong progress has been made on first two, the company is now requiring them to provide universal, group-wide concession maps for upstream suppliers as a condition of doing business.
2. **Act faster to eliminate deforestation** in their palm oil supply through time-bound remediation plans or Mondelēz International will cease contracts with upstream suppliers engaged in deforestation. While Mondelēz International supports efforts to identify companies growing palm oil unsustainably and provide an opportunity to reform, engagement must deliver results. Therefore, Mondelēz International is excluding of 12 upstream suppliers as a result of breaches.

We remain fully committed to driving change in the palm oil sector and today's actions against 12 upstream suppliers reflect that commitment. We will continue to pursue existing and new initiatives that seek to drive effective change across palm oil-growing communities. The company understands that this complex challenge 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.

November 2018