



## FAQ: achieving palm oil sustainability

### **What has Mondelēz International done to ensure that its palm oil is sustainably sourced?**

We are committed to eradicating deforestation in the palm oil supply and we're actively working with our suppliers to ensure palm oil is fully traceable. This includes action to ensure the palm oil we buy is produced on legally held land, does not lead to deforestation or loss of peat land, respects human rights and does not use forced or child labor.

We were the first palm oil buyer to require suppliers to put maps of their supply data on to the Global Forest Watch monitoring platform. At the end of 2017, 96% of our palm oil was traceable back to mill and 99% was from suppliers with policies aligned to ours.

We take this responsibility seriously. We have eliminated suppliers from our supply chain that do not meet our standards and recently expelled 12 companies as a result of breaches. We will continue to prioritize suppliers that meet our principles and exclude those that do not.

### **Does Mondelēz International use palm oil and how much do you buy?**

We use palm oil in a number of our products. Among its many benefits, palm oil is versatile, keeps products fresher for longer and is widely used across our industry in food products.

We purchase approximately 300,000 tonnes of palm oil per year from around 12 direct suppliers. So while we use only 0.5% of palm oil globally, making us a relatively small player in the supply chain, we are still committed working to drive change across the entire palm oil sector.

### **What is Mondelēz International doing to ensure no forced labor or other human rights issues?**

We expect all our suppliers to assure the protection of the rights of all workers, including migrant workers, in their own operations and engage third-party suppliers to do the same.

In order to achieve this, we contractually require suppliers to provide annual assurance, verified by a recognized third-party labor rights expert, of continuous improvement in labor rights performance in own operations; and develop a roadmap with milestones to engage third-party suppliers to provide assurance of their labor rights performance in the same manner.

[Our Palm Oil Action Plan](#) outlines actions to ensure 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.

We remain fully committed to driving change in the palm oil sector.

## **Beyond its own business, what is Mondelez International doing to address sustainable palm oil production across the industry?**

We have played – and continue to play – a leadership role in global industry advocacy toward palm oil sector transformation. We are proud to partner with several of the leading global organizations focused on improving the palm oil supply chain.

- We co-chair the **Consumer Goods Forum's (CGF)** Palm Oil task force to drive the industry's improvements in palm oil sourcing
- We have supported the **United Nations Development Program(UNDP)**, the Government of Indonesia, and others to develop a National Action Plan for sustainable 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
- While we recognize its limitations, we are an active member of **Roundtable for Sustainable Palm Oil (RSPO)** because we believe it can be part of the solution

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.

## **What is your response to Greenpeace's recent report on Mondelez International?**

We share Greenpeace's concerns around palm oil, but we stand behind our approach to addressing this issue. We have advocated strongly for change, pushed our suppliers to reform their practices and innovated to drive change across the sector. We have consistently been transparent about our progress, and the challenges we face.

At the end of 2017, 96% of our palm oil was traceable back to mill and 99% was from suppliers with policies aligned to ours. We have called on our suppliers to improve practices across their entire operations and to engage their third-party suppliers to ensure their palm oil production is 100% sustainable and traceable. We are asking our direct suppliers to call on their upstream suppliers to map and monitor the plantations where oil is grown so we can drive further traceability.

We will continue to prioritize suppliers that meet our principles and exclude those that do not. Overall, we believe that we can better influence suppliers to act faster to eliminate deforestation through our ongoing commercial relationship rather than walking away.

We have and will continue to act with urgency to ensure all palm oil is sourced sustainably within the industry and will continue to play a leadership role in global industry advocacy toward sector transformation.

We believe that all palm oil should be sustainable palm oil and that all producers be sustainable producers – not a select few. We are dedicated to eradicating deforestation in the palm oil supply and are actively working with our suppliers to ensure palm oil is fully traceable.

**What is Mondelēz International’s relationship with Wilmar? Why haven’t you cut ties with them?**

Wilmar is one of the largest palm oil traders, believed to handle as much as 40% of the world’s supply of palm oil, most of which is sourced from upstream producers and some from their own estates.

We agree with Greenpeace that suppliers are not moving fast enough to ensure their supply chain is sustainably sourced, and we urge Wilmar and other suppliers to act faster and continue the dialogue with Greenpeace. For suppliers that are making progress, such as Wilmar, we believe that we can better influence them to act faster through our ongoing commercial relationship rather than walking away. We have eliminated suppliers from our supply chain that do not meet our standards and recently expelled 12 companies as a result of breaches. We will continue to prioritize suppliers that meet our principles, and exclude those that do not.

We believe 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.